

Agriculture

bulletin

NOV 58 SEP 1958

U.S. Department of Agriculture
Economics, Statistics, and
Cooperatives Service



- 1 In Brief . . .
- 2 General Economy
A barrage of encouraging statistics in the past couple months suggest that the economy may begin to recover from the recession earlier than expected . . . But the pace of recovery will be linked, in part, to sales of domestic autos in the new model year.
- 4 Commodity Highlights
- 9 Agricultural Economy
This summer's drought and heat have cut 1980 crop production . . . Consequently, supplies of feed grains, cotton, and oilseeds will be tighter during the 1980/81 marketing year . . . Crop prices have climbed dramatically in the last 3 months, and the higher feed prices will again squeeze feeding margins of livestock and poultry producers despite the recent price gains for those commodities.
- 14 Farm Income Update
In 1980, net farm income is expected to range from \$23 to \$25 billion, down 20 to 25 percent from a year ago . . . Net farm income for 1979 has been revised—based on new data from the 1979 Farm Production Expenditures Survey—to \$31 billion, down from the \$33.3 billion estimated earlier.
- 18 Food and Marketing
Retail food prices are now forecast to rise 8 to 10 percent in 1980, with the rise in 1981 accelerating to a 10 to 15 percent range . . . Retail prices for red meats and poultry will show especially large gains next year because supplies will be down from this year's levels.
- 22 Transportation
- 24 World Agriculture and Trade
The total value of U.S. agricultural exports in fiscal 1980 (which ends September 30) are now placed at \$40 billion, up from the previous forecast of \$38 billion and \$8 billion more than last fiscal year . . . For 1981, U.S. farm exports are expected to rise to within a range of \$40 to \$45 billion.
- 30 Agricultural Policy
- 31 Recent Publications
- 33 Statistical Indicators

Economics Staff

Larry Van Meir (202) 447-2317, and Ted Feitshans (202) 447-6860.

Managing Editor

Leland Scott (202) 447-8353

Assistant Editor

Shirley Hammond (202) 447-8353

Statistical Coordinator

Ann Duncan (202) 447-2319

Production Staff

Sheila Turner, Shawn Irving, Francina Edwards, Deborah Perrelli, Neva Hayslett, Joan Bazemore, Anita Meyer, and Susan Yanero.

For more information, contact:

Commodity Highlights—Don Seaborg or Bob Miller (202) 447-8376.

Farm Income—Allen Smith (202) 447-4190

Food Prices—Paul Westcott (202) 447-8801

General Economy—Paul Prentice and Michael Salant (202) 447-2317.

Marketing Costs—Leland Southard (202)

447-6860, or Denis Dunham (202) 447-8801

Transportation—Bill Gallimore (202) 447-6363

World Agriculture and Trade—Dewain Rahe or Sally Byrne (202) 447-9160.

Note: Contributing authors are now listed, along with phone numbers, at the end of each article.

Contents of this report have been approved by the World Food and Agricultural Outlook and Situation Board, and the summary was released September 10, 1980. Materials may be reprinted without permission. *Agricultural Outlook* is published monthly, except for the January/February combined issue.

Annual subscription: \$19.00 U.S., \$23.75 foreign. A 25-percent discount is offered on orders of 100 copies or more to one address. Order from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Make check payable to Superintendent of Documents. Allow 6 to 8 weeks for delivery.

In Brief . . . News of 1980 Crops, Net Farm Income, and Food Prices

This summer's hot, dry weather has cut 1980 crop production, reducing 1980/81 supplies of feed grains, cotton, and oilseeds. With tighter supplies and relatively strong demand, prices of farm commodities have risen sharply; prices received by farmers for all farm products climbed 10 percent from June to August, although they were up only 7 1/2 percent from a year earlier. Despite the gains in livestock and poultry prices, higher feed prices will again squeeze feeding margins this fall.

Although net farm income in 1980 will still be down significantly from 1979, the income picture has improved from the first half of the year due to sharp summer advances in crop and livestock prices. Net farm income is now forecast to be \$23 to \$25 billion this year, down 20 to 25 percent from 1979. Much of this decline is due to the large change in inventories from 1979 to 1980. As a result, net farm income before inventory adjustment and on a cash income basis (excluding inventories and noncash income and expenses) will decline about half that much.

The first detailed 1979 farm income statistics have recently been completed. These estimates incorporate recent data from the Farm Production Expenditures Survey plus an update of 1979 cash receipts. As a result, net farm income for 1979 is now estimated at \$31 billion, down from the earlier forecast of \$33.3 billion. Total cash receipts were only slightly higher than earlier estimated, but production expenses increased an estimated 18 percent instead of the 16 percent forecast earlier.

Retail food prices are now expected to rise 8 to 10 percent in 1980, with the most likely outcome about 9 percent. In the second half of 1980, retail food prices will be pushed up more by a higher farm value than by rising marketing costs.



In 1981, retail food prices could rise 10 to 15 percent. Substantially higher retail prices are expected for red meats and poultry, as total supplies of these products will decline from 1980's record levels. Thus, while marketing costs will continue to increase in 1981, there will be more upward pressure on food prices from the farm sector than in 1980.

U.S. agricultural exports likely will hit \$40 billion in fiscal 1980. The present export strength is expected to carry over into fiscal 1981. With slightly larger volume and higher prices, the value of exports in fiscal 1981 could range from \$40 to \$45 billion.

World agricultural trade has increased dramatically in the 1970's, from a value of \$51.6 billion in 1970 to \$169.2 billion in 1978. The U.S. share of this market has increased even more rapidly during this period—from \$7.4 to \$30.8 billion. Soybeans, feed grains, wheat, cotton, and rice are the leading U.S. farm export commodities, accounting for 66 percent of the total.

Transportation activity was brisk this summer, with July railcar loadings the highest in 2 years and barge loadings setting a record. The market share among U.S. ports has shifted somewhat this year, with Gulf and Pacific ports gaining in both relative and absolute terms. Atlantic ports moved a larger volume, but their market share still slipped. The Lake ports experienced losses in both volume and share.

The general economy appears to be pulling out of the recession. This recession has been unusual in that it was not led by a downturn in the inventory cycle. Instead it was precipitated by a sharp drop in consumer spending as consumers sought to repay debt, which reached record levels in 1979. With consumer debt now at a more reasonable level, there is room for some growth in consumer expenditures. The level of domestic automobile sales will be a major factor in the speed of recovery. U.S. automakers are hoping that their new smaller, more fuel-efficient models to be introduced this fall will boost sales.

U.S. wheat producers will not need to set aside acreage to be eligible for benefits under the 1981 wheat program. To be eligible they need only stay within their normal crop acreage. The target price is expected to be at least \$3.81 a bushel, and the loan price at least \$3.00.

A House-Senate Conference Committee has reached agreement on a government crop insurance program. If enacted, the bill would replace four separate, overlapping insurance and disaster-payment programs that now exist.



General Economy

Encouraging signs of an earlier than expected turnaround continue to brighten the general economic outlook. Real disposable personal income and consumption expenditures have risen for the past 2 months; housing starts are now on an upward trend; and the index of leading indicators registered increases in July and August. The index of leading indicators usually signals a recovery within 3 to 6 months of an upturn.

Total employment is now rising again, so any further increase in the unemployment rate is likely to be due to growth in the labor force rather than layoffs by industry, barring any further shocks to the economy. Total employment in the service sector of the economy (70 percent of private, non-agricultural employment) in July was 64.7 million—almost 2 percent above the 63.5 million employed a year earlier. Only manufacturing and construction industries had fewer workers employed this July than in July 1979.

Consumers Repaying Debt

Instead of the typical recession led by an inventory cycle, this downturn involves mainly an adjustment of consumer finances.

Consumers bolstered their spending in 1979 by accumulating record levels of debt. Total outstanding consumer installment credit as a percent of disposable personal income peaked at 18.3 percent at the end of 1979 but dropped to 17.3 percent during the second quarter of 1980.

As consumers repaid debt and increased their savings, consumption expenditures declined rapidly during the first half of this year. Now that consumers are in a somewhat more reasonable debt position and incomes are growing, growth in consumer expenditures may pick up. Consumption represents about two-thirds of real GNP.

Although it is commonly believed that the current recession was caused by the credit controls and tightening of monetary policy in mid-March, retail sales actually began to fall following a final burst of spending in January. The National Bureau of Economic Research (NBER) has pegged the start of the recession at the end of January.

Interest Rates Moving Up

Interest rates appear to have bottomed out and may continue to rise slowly through the end of the year. The Federal Reserve Board had indicated at its Open Market Committee meeting in June that it would attempt to keep the Federal Funds rate¹ at around 8.5 percent.

However, current Federal Reserve policy is more concerned with meeting targets for monetary growth than with maintaining an interest rate target. As demand for loans rises, the Fed has to choose between expanding the money supply to keep interest rates down or curtailing monetary growth and allowing interest rates to rise.

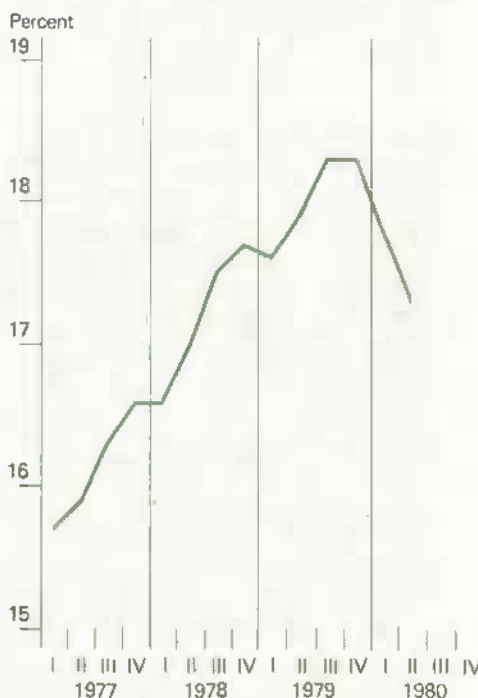
The Fed has apparently adjusted the Federal Funds target upwards to keep the money supply from growing too rapidly. Therefore, unless loan demand declines sharply, interest rates are likely to continue rising. Loan demand is expected to be strong this fall, partly due to heavy funding by the U.S. Treasury in order to finance the Federal deficit.

Crucial: Sales of Domestic Autos

Personal income, consumption expenditures, and housing starts are all positive factors in the outlook for the rest of this year. However, the pace of economic recovery will depend greatly on domestic automobile sales.

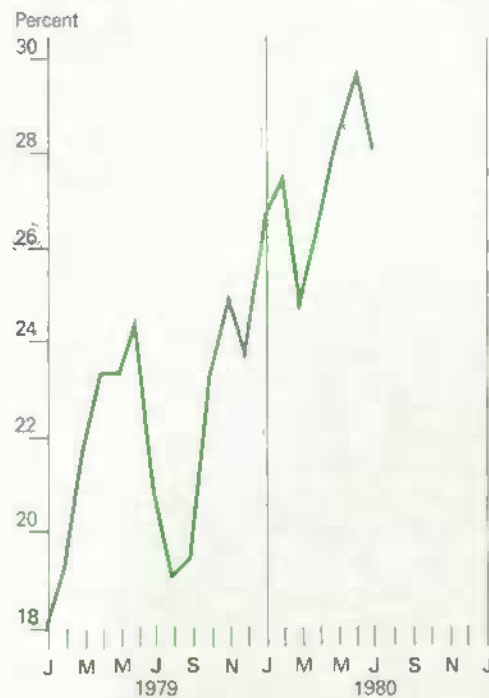
¹ The Federal Funds rate is the rate of borrowing between member banks in order to satisfy reserve requirements and enhance liquidity position. As such, it represents the marginal cost of funds to banks and is a major determinant of other interest rates in the economy, particularly the prime rate.

Consumer Debt Declines as Percent of Income



Source: Fed. Res. Board, U.S. Dept. of Commerce.

Import Share of U.S. Auto Market Climbs

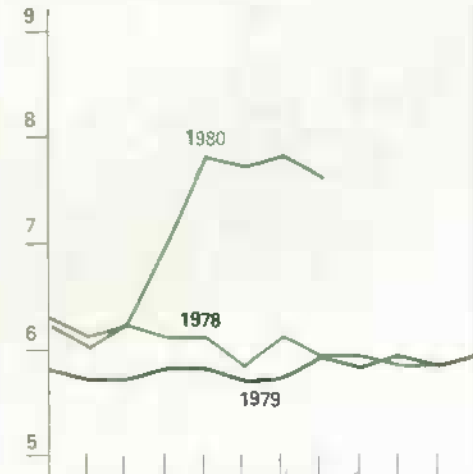


Source: U.S. Department of Commerce.

General Economic Indicators

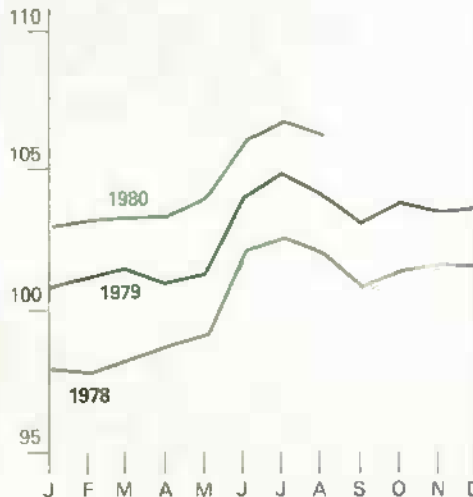
Unemployment Rate¹

Percent of all civilian workers



Civilian Labor Force²

Million workers



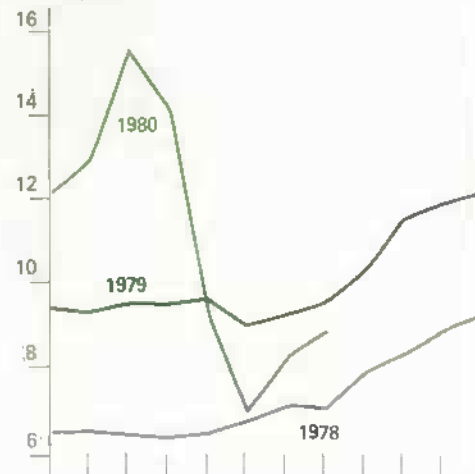
¹Seasonally adjusted.

²Unadjusted.

The economy will get a seasonal boost from the automobile industry in September and October. Automobile assembly activity hits its seasonal low in July and August as production of the past year's models is phased out and plants are retooled for the new model year. This year, automobile assembly averaged about 82,800 units a week during this 2 month low—32.4 percent less than the 122,500 units assembled per week during the second quarter of 1980.

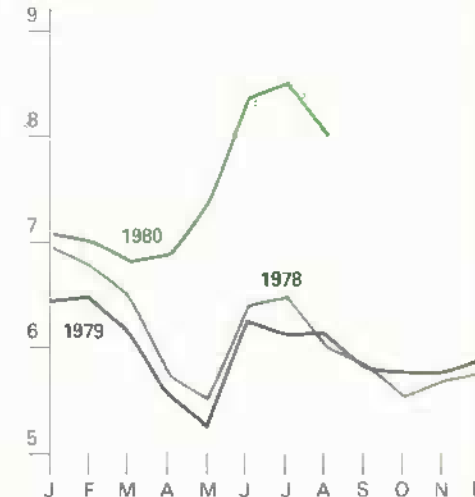
3 Month Treasury Bill Rate³

Percent per annum



Unemployment²

Million workers



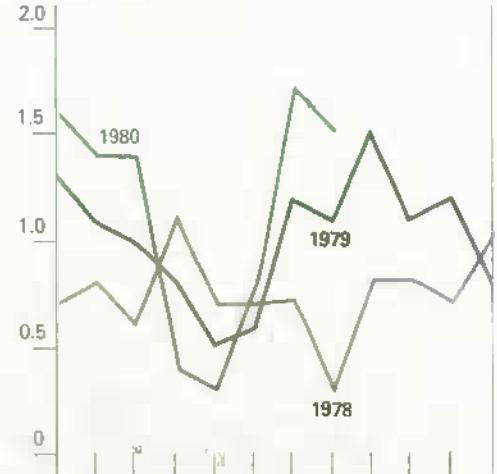
³August value for 3 month Treasury Bill Rate is Mid-August value.

Retooling is now completed, and 1981 models are being assembled for the new sales year beginning the first week of October. U.S. automakers have reported plans to assemble 560,500 units this September, a weekly rate 61 percent more than during July and August and 9 percent more than in the second quarter.

The industry also reported plans to assemble 1.75 million units during the fourth quarter of this year—5.7 percent less than the 1.86 million units assembled a year earlier but slightly more than the weekly rate of assembly scheduled for September.

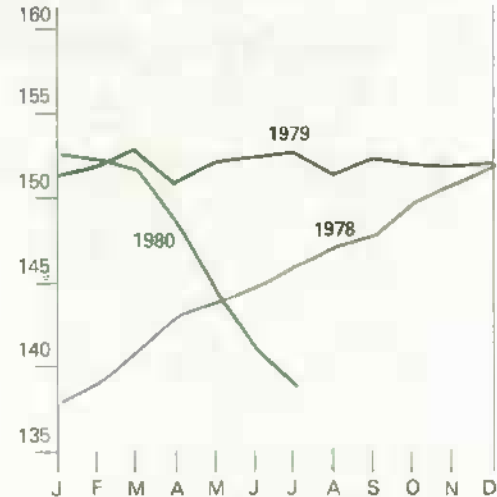
Producer Price Index⁴

Percent change from previous month



Total Industrial Production⁵

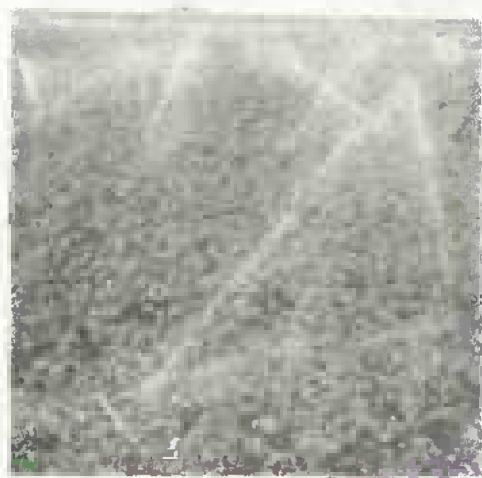
1967 = 100



⁴Total finished goods, seasonally adjusted.

⁵Major industry divisions, seasonally adjusted.

These plans reflect a cautious approach to the new model year and are about in line with the rate of sales during most of the 1979 sales year. However, the automakers are putting more emphasis on the new smaller, more fuel-efficient models being introduced this year. If these models are successful in recapturing some of the market share lost to imports in the 1980 model year, assembly schedules would be revised upward before the end of the year. Consequently, new model auto sales will be an important indicator of the recovery path for the economy during the first half of 1981. [Paul T. Prentice (202) 447-2317]



Commodity Highlights

Prospective U.S. supplies of grain, oilseed, and cotton have tightened significantly this summer, and prices of many farm commodities have risen sharply. Persistent hot, dry weather in July and August cut production prospects for spring-planted crops. Production of all crops this year, based on September 1 conditions, is expected to be down 9 percent from 1979, with only food grains, tobacco, and sugar crops registering gains.

Despite higher livestock and poultry prices, increased feed costs will likely continue to squeeze livestock feed-price relationships, causing producers (particularly of hogs) to continue reducing output. Production of pork, broilers, and eggs during late 1980 will be below a year earlier, and gains in feedlot placements and fed beef production may slow. After rising 6 to 7 percent in the first half of 1980, red meat and poultry output will likely drop below a year earlier by the fourth quarter.

The index of prices received by farmers for all products rose 10 percent from June to August, reaching a level almost 8 percent above August 1979. Prices of grains and oilseeds in 1980/81 will average well above the preceding season. Livestock prices during the rest of 1980 are likely to average above a year earlier, with sharp increases anticipated for 1981.

Cattle

Despite an expected rise in Choice steer prices, increased feed costs will moderate the favorable feeding outlook this fall. Feedlot placements in the second half of 1980 will increase above year-earlier levels, but sharply higher corn prices will moderate the rate of increase, slowing the gain in fed beef production for the fourth quarter and for 1981.

However, continued large supplies of feeder cattle and drought-reduced grazing capability in many overwintering areas, together with lower feedlot placements than earlier expected will increase slaughter of nonfed steers and heifers. Nonfed slaughter is expected to remain large at least through the first quarter of 1981. Consequently, third- and fourth-quarter beef production will be even with or slightly above a year earlier.

Fed beef prices will be bolstered late this year as fed cattle marketings slow and supplies of competing meats decline. Increased nonfed slaughter will help moderate price rises for hamburger and processing meats.

Fed cattle prices at Omaha will likely average in the lower \$70's per cwt. in the third quarter and near \$75 late in the fourth. Yearling feeder cattle prices at Kansas City will be held down by larger feeder cattle marketings and increased feeding costs. Recent rains and improved small-grain grazing prospects have boosted feeder cattle prices to near \$80 per cwt. However, continued drought and bunched feeder cattle marketings could again force prices toward the low-to-mid \$70's this fall. Increased feeding costs this fall may also hold down feeder cattle price gains.

Hogs

Hog slaughter under Federal inspection totaled 15.5 million head a week during the first 10 weeks of the summer quarter, down 3 percent from a year earlier. However, slaughter is expected to increase seasonally and could exceed year-earlier levels in September. Prices could average in the mid-\$40's per cwt. in the fourth quarter, with the highest prices coming late in the year. Reduced hog and broiler production should help bolster prices.

Because of the rise in corn and meal prices, feed costs increased about \$5 per cwt. of hogs sold and total cash costs are now above \$45 per cwt. Prices received may be near break-even levels this fall.

The increased production costs could result in lower pork production in 1981 than was earlier expected. Since many hogs are produced on livestock-grain farms, farmers might elect to sell their corn directly at the higher prices, lowering June-November farrowings more than the 8 percent that producers indicated on June 1.

Broilers

Prices for broilers averaged 52 cents a pound (9-city weighted average) during August, about the same as in July. Weekly slaughter and marketing weights continue to average less than last year. Because of negative returns during the first half of the year, fewer chicks were hatched during May, June, and July. This drop, combined with heat-caused deaths, may reduce third-quarter 1980 output about 4 percent from a year earlier.

The improved broiler prices of this summer—compared with earlier in 1980—are encouraging producers to try to expand production. To offset heat-induced losses of breeder hens and reduced hatchability, producers are culling fewer old breeder hens. Weekly reports on chicks placed suggest broiler production early in the fourth quarter may be considerably below a year earlier.

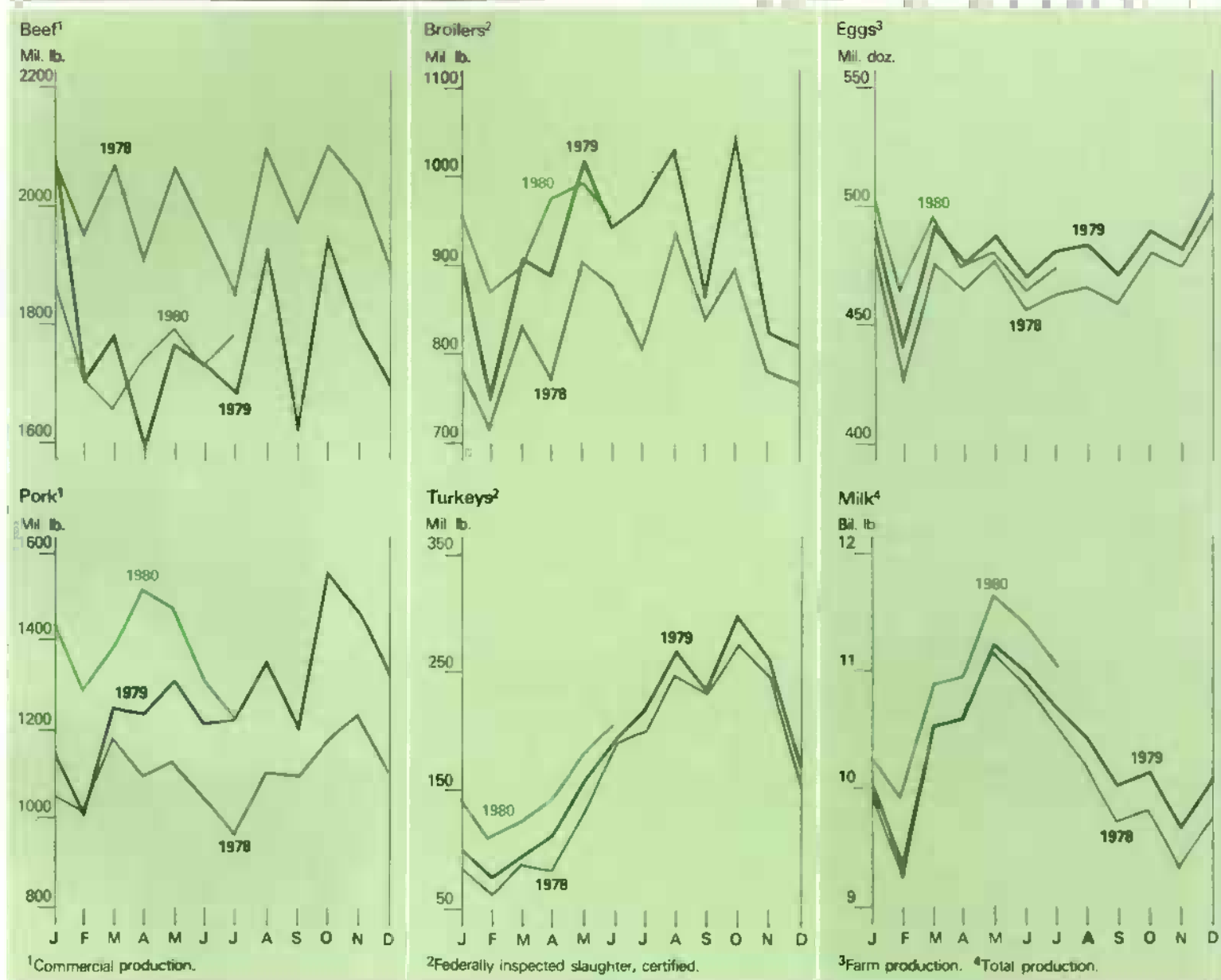
Broiler prices are expected to weaken seasonally in September and could average 51 to 53 cents a pound in the third quarter—about 11 cents above 1979. Because of seasonally weak demand, fourth-quarter prices may average near 50 cents despite reduced production.

Turkeys

Reacting to favorable returns, growers produced 168 million turkeys from September 1979 through August 1980, 7 percent above a year earlier. Production from January through June was 897 million pounds (ready-to-cook), up 22 percent from a year ago. Producers' returns became unfavorable early in 1980, and the hatch during March-June equaled year-earlier levels. Thus, turkey production during July-December 1980 will likely be near a year ago.

Along with prices of competing meats, turkey prices strengthened during July

Supplies Update: Livestock and Products



and August. However, cold storage stocks of turkeys remain larger than last year. Third-quarter 1980 prices for 8.16 pound young hen turkeys at New York may average 65 to 67 cents a pound, up from 63 cents in 1979. With increased seasonal demand, fourth-quarter turkey prices may average 71 to 74 cents, about the same as last year's 73 cents.

Dairy

In 1980, the number of cows kept for milk production has surpassed year-earlier levels (first time since 1954), while output per cow has gained about 3 percent. Consequently, January-July milk output was up 3.7 percent from last year.

Meanwhile, commercial use of dairy products in the first half of 1980 was down 2 percent because consumer purchasing power had eroded and meat prices were low relative to dairy prices. As a result, USDA removals from the commercial market have been extremely large, commercial stocks are adequate, and farm prices remain under downward pressure. During January-August, USDA purchases under the price-support program equaled 7.1 billion pounds of milk, compared with 2.1 billion pounds for all of 1979.

For the rest of the year, milk production is expected to remain above last year, in part because of increased cow numbers, while commercial use will reflect the

sluggish general economy. Thus, although farm milk prices will strengthen seasonally in coming months and may reach the support level (\$12.36 per cwt. for milk of 3.67 percent fat), little or no increase above support is expected.

However, under the Food and Agriculture Act of 1977, the Secretary of Agriculture is required to set the support price for manufacturing grade milk at a minimum of 80 percent of parity on October 1. It now appears that the support price will be increased by about 67 cents. Such an increase would raise USDA purchase prices per pound of butter, nonfat dry milk, and cheese by about 8 cents, 4 cents, and 6-½ cents, respectively.

Eggs

Increased prices for eggs during July eased the price-cost squeeze of producers. While August prices exceeded the year-earlier average of 67 cents a dozen (cartoned grade A large eggs in New York), feed prices have increased, signaling a renewed squeeze on returns. Egg prices likely will strengthen seasonally in September, resulting in a third-quarter average of 68 to 70 cents.

Fourth-quarter egg prices are usually strong, but increased sugar prices may discourage holiday baking this year and thereby weaken the demand for eggs. Thus, egg prices are forecast to range from 72 to 75 cents, up from last year's 69.4 cents.

Egg production will be down slightly in the third and fourth quarters. Early in the year, low returns caused producers to reduce flocks, but as flocks matured and fewer hens were added, the rate of lay is declining to 1979 levels. Thus, third-quarter egg production may trail last year by only 1 percent.

In the fourth quarter, normal culling plus a drop in replacements will reduce the flock and bring output down 2 percent from 1979. The percentage of hens that have completed molting is high compared with the last 2 years, suggesting that producers have little leeway in expanding output.

Feed Grains

On September 1, the 1980 corn crop was forecast at 6.53 billion bushels—16 percent below 1979. The corn yield, estimated at 91.8 bushels per acre, is 17.6 bushels below last year's record. Sorghum production is expected to be down 33 percent from 1979, oat production down 16 percent, and barley output down 7 percent.

These decreases are due to reduced harvested acreage and lower yields in the major producing States. This year's feed grain production is expected to total 194 million metric tons, down 17 percent from 1979's record of 234 million.

Domestic use of feed grains will likely fall in 1980/81 for the first time in 4 years, mainly reflecting narrower feeding margins and smaller supplies. Domestic feeding of corn is expected to decline 4 percent from a year ago, largely because of higher corn prices and lower output of broilers and hogs. Exports of feed grains will likely

continue at a record level, with corn exports for 1980/81 expected to total 2.5 billion bushels, 4 percent above 1979/80. As a result, carryover stocks of feed grains for 1980/81 are projected at 28.5 million tons, more than 53 percent below a year earlier.

Poorer crop prospects and a sharp drawdown in stocks point to higher feed grain prices. Corn prices at the farm for the 1980/81 season are expected to average from \$3.00 to \$3.50 a bushel, compared with \$2.50 last season.

Soybeans

As of September 1, soybean production was expected to be 1.83 billion bushels, down 19 percent from the 1979/80 record crop. Factors contributing to the decline are a 2-percent reduction in acreage planted, a yield drop caused by hot, dry weather in some major producing areas, and a small decline in harvested acreage. Total soybean supplies are likely to be down only 10 percent because of an expected 370-million-bushel carryover from 1979/80.

Large U.S. and world carryover stocks of major oilseeds will temper prices somewhat during the coming year, although much of the world crop is still in doubt. Prices for soybeans in the 1980/81 season are currently expected to average between \$6.95 and \$9.45 per bushel, compared with \$6.25 last year, and soy meal may range from \$195 to \$265 per short ton, up from \$180 in 1979/80.

Soybean crushings in 1980/81 are expected to decline slightly to 1.05 billion bushels. The drop is due primarily to decreased demand for soy meal resulting from smaller pork and poultry output and sluggish economic growth. Exports of soybeans, soy meal, and soy oil could also decline as the United States faces increased competition from other major exporters, particularly Brazil.

Wheat

The wheat harvest, which is nearly complete, is now forecast at a record 2.35 billion bushels, despite the severe drought conditions that sharply reduced the spring wheat crop. Total U.S. wheat supplies in 1980/81 will be at an all-time high of 3.22 billion bushels. However, stocks at the end of the marketing year may increase only slightly from the 901 million bushels of a year earlier because both exports and domestic use are anticipated to rise from 1979/80 levels.

Reflecting expanded wheat demand, the 1980/81 season average farm price is projected to range from \$3.90 to \$4.25 per bushel, compared with \$3.82 last year.

Cotton

An extremely tight supply-demand balance is in store for U.S. cotton during 1980/81. Prospective supplies are down sharply from last season because of lower beginning stocks and a smaller crop. Expected disappearance of 12.2 million bales—about 0.5 million bales in excess of the 1980 crop—is also well below that of last season. So the carryover at the end of this season is likely to be the lowest since the early 1950's—2.7 million bales.

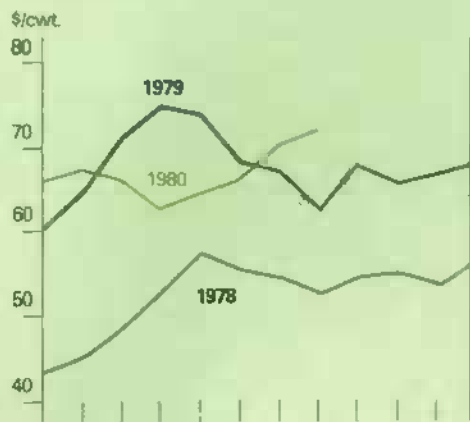
As of September 1, the 1980 crop is forecast at 11.7 million bales, down 20 percent from last year's large crop. Although harvested acreage is estimated up 4 percent, hot, dry weather in the Southwest and in parts of the Delta and Southeast have sharply reduced yield prospects.

Exports this season are forecast at about 6.3 million bales, down about 32 percent from last season's unusually high level. Factors behind the anticipated decline include increased cotton output in foreign countries, sluggish world textile activity, and reduced supplies available for export. Domestic textile mills are expected to use less than 6 million bales of cotton this season, down from 6.5 million in 1979/80, the drop due to adverse economic conditions and tight cotton supplies.

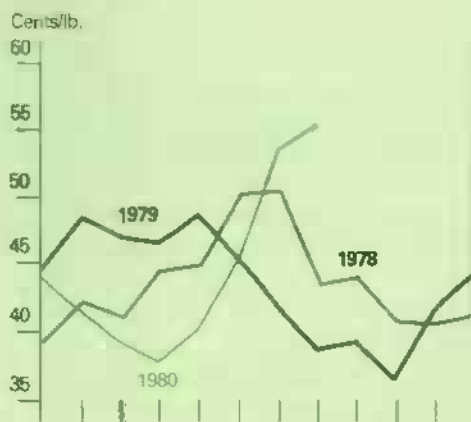
The forecast of a close balance between cotton production and use suggest that prices will be particularly sensitive to changes in production prospects and economic conditions. By early September, U.S. spot prices (SLM 1-1/16-inch cotton) were around 90 cents a pound, more than a third above a year earlier.

Commodity Market Prices: Monthly Update

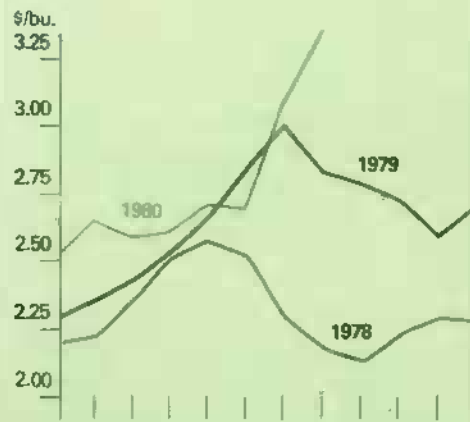
Choice Steers¹



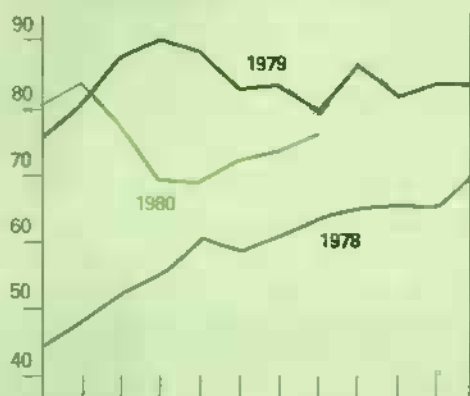
Broilers⁴



Corn



Choice Feeder Cattle²



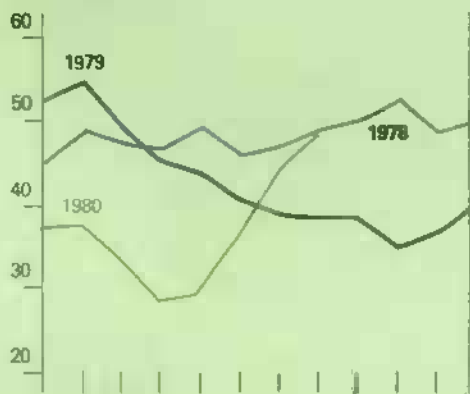
Eggs⁵



Soybeans



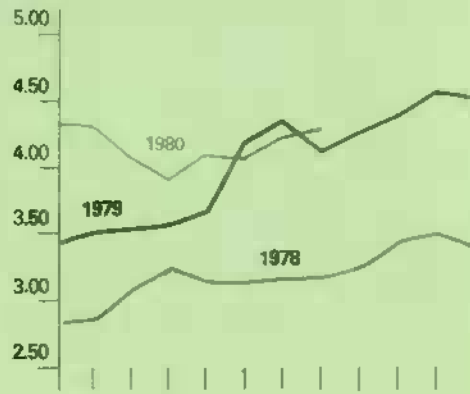
Barrows and Gilts³



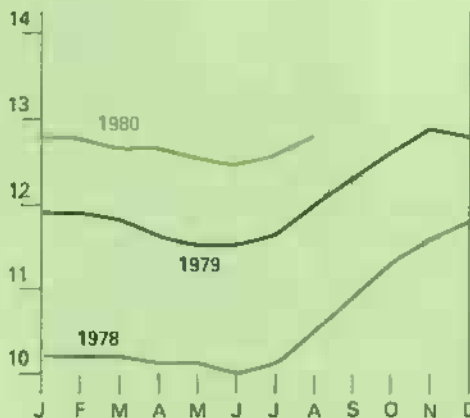
Rice (Rough)⁶



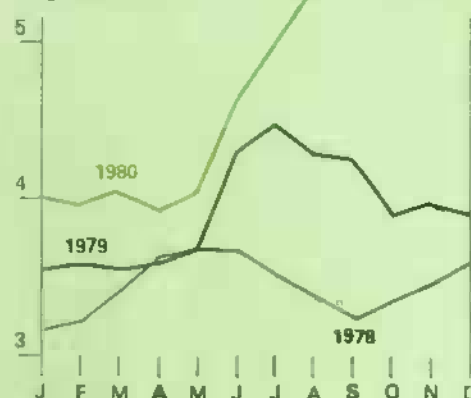
Wheat



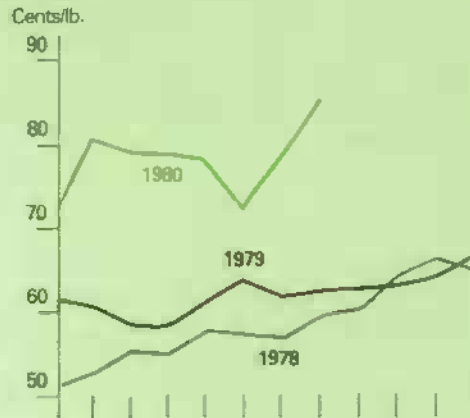
All Milk



Sorghum Grain⁶



Cotton



¹ Omaha. ² 600-700 lbs., Kansas City. ³ 7 markets.

⁴ Wholesale, New York. ⁵ Grade A Large, New York.

⁶ August is first half of month average.

Fruit

Fresh noncitrus fruit supplies this fall are expected to surpass last season's levels. The U.S. apple crop is forecast 3 percent larger than last year's record, and pear output will be up 3 percent. Grape production is expected to total 2 percent less than last year's record, but California table grape output may be 10 percent larger. Total noncitrus production will be slightly more than last year and about 9 percent above 1978.

Despite the larger production, f.o.b. prices for summer fruits generally have been above those last year. In response to good demand, prices of fresh apples and pears so far this year have averaged considerably higher. Prices of fresh noncitrus are likely to remain relatively firm in view of the continued good demand prospects. Supplies of most processed noncitrus fruit will be ample because of large carryover. However, increased marketing and processing costs are expected to keep retail prices of noncitrus fruits relatively firm throughout the season.

Vegetables

Farm prices for fresh market vegetables reached a seasonal low in July, but rose again in August to a level 6 percent above a year earlier. However, the index of prices received for potatoes, sweetpotatoes, and dry beans jumped 38 percent from July to a level 75 percent above a year ago. The increase from July was triggered mostly by a sharply smaller summer potato crop and strong export markets for dry beans.

Prices for fresh market vegetables will increase seasonally this fall and will average moderately above a year earlier in the fourth quarter. When the fall harvest begins, potato prices will decline from the high July-August levels but will remain substantially above last season during October 1980-June 1981.

Retail prices for processed vegetables are also expected to be substantially higher than a year ago. The acreage of major processing vegetables was down 14 percent from last year. Supplies of frozen vegetables on July 31 were 3 percent smaller than a year ago. Stocks of frozen french fries were 6 percent smaller than a year earlier, and potato crops are substantially smaller in the important processing areas in the Northwest. These factors will boost processed potato prices in coming months substantially above year-earlier levels.

Tobacco

U.S. cigarette sales remain stable, but domestic use of U.S. tobacco slipped over the past 12 months as manufacturers used more imported leaf. With exports of leaf tobacco also off, disappearance of U.S. tobacco in the 1979/80 year just ending was down 5 percent. But, with the short crop a year ago, carryover is down 8 percent.

Prospects point to a 1980 crop 17 percent above last season's low level, as growers are making up some of the shortfall from their 1979 quotas. Both acreage and yields are up. During the first 7 weeks of flue-cured auction sales (through September 4), about four-tenths of the crop was sold. Prices averaged \$1.40 a pound, about the same as a year earlier. Loan receipts, at 11 percent of sales, were higher than last season.

Sugar

With world sugar consumption in 1980/81 likely to exceed global production, another drawdown in world stocks seems forthcoming. Thus, the world price for sugar can be expected to remain strong in coming months—possibly in the range of 30 to 35 cents a pound, compared with 31 to 32 cents in early September.

The U.S. raw sugar price (landed New York, duty-paid) has closely followed world price movements. After a sharp hike of 10 cents in May to 31.9 cents a pound, the raw price hovered near 30 cents in June and July, with prices in early September around 32 cents.

From January to June 1980, the U.S. retail price for refined sugar rose 59 percent to 41.9 cents per pound, compared with increases of 61 percent in the world price and 53 percent in the U.S. wholesale price. Retail sugar prices for the rest of 1980 are expected to rise only slightly from current levels unless 1980/81 crop prospects deteriorate.

U.S. beet sugar output in 1980/81 may total 2.9 million short tons (raw value), about the same as in 1979/80. Estimated sugarbeet area for harvest is up 5 percent, but beet yields will be down about one ton per acre because of severe drought in the Red River Valley (Minnesota-North Dakota). Cane sugar output in the United States (excluding Puerto Rico) is likely to match 1979/80's 2.7 million tons.

Calendar 1980 deliveries of refined sugar are estimated at 10.5 million short tons (raw value equivalent), down from 10.76 million in 1979. U.S. sugar imports are expected to fall to 4.5 million tons in 1980 from 5.0 million in 1979. U.S. exports, however, may rise to about 350,000 tons, as exporters take advantage of drawback privileges—government repayment of duties and fees on sugar previously imported into the United States.

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the October *Agricultural Outlook* comes off press. This list will be updated in subsequent issues of the *AO*.

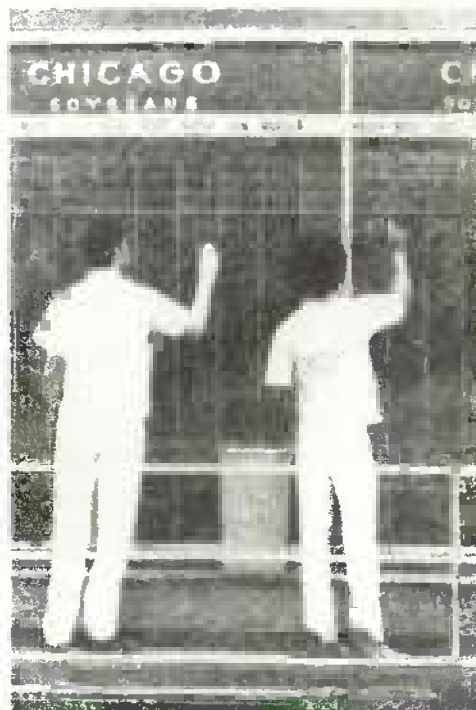
September

22	Soybean Stocks Hogs & Pigs Naval Stores
23	Eggs, Chickens, & Turkeys
25	Potatoes & Sweetpotatoes
26	Citrus Fruits
30	Commercial Fertilizers Agricultural Prices

October

1	Dairy Products
2	Poultry Slaughter
3	Sugar Market Statistics
9	Vegetables Egg Products
10	Crop Production
14	Milk Production

To start receiving any of these reports, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250. Ask for the report (s) by title.



Agricultural Economy

DROUGHT AND HEAT: The Impact on Crops

Feed Crops Suffer Most

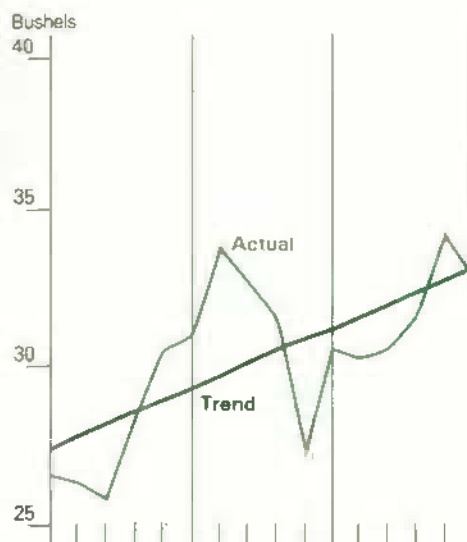
Of all U.S. crops, feed grains were hit hardest by the adverse weather of late June, July, and August. As of September 1, total feed grain production was expected to be 194 million metric tons, down 17 percent from last year's record crop and the lowest level since 1976.

On September 1, corn production was forecast at 6.53 billion bushels—down 16 percent from last year's crop and 2 percent below the August 1 estimate. The other feed grain crops were also forecast down from last year's levels, with sorghum showing a 33 percent decline, oats down 16 percent, and barley down 7 percent.

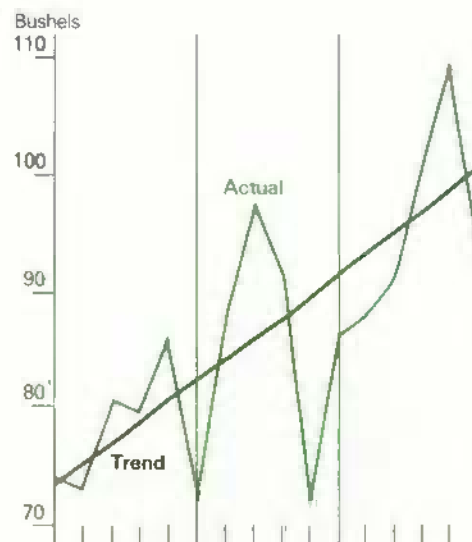
The September 1 estimates also put the 1980 soybean and cotton crops below last year's levels. At a forecast 1.83 billion bushels, soybean production would be 19 percent less than the record 1979 crop and slightly less than the 1978 crop. Cotton production is forecast at 11.7 million bales, a 20-percent drop from 1979 but 8 percent larger than in 1978.

Crop Yields to Fall in 1980

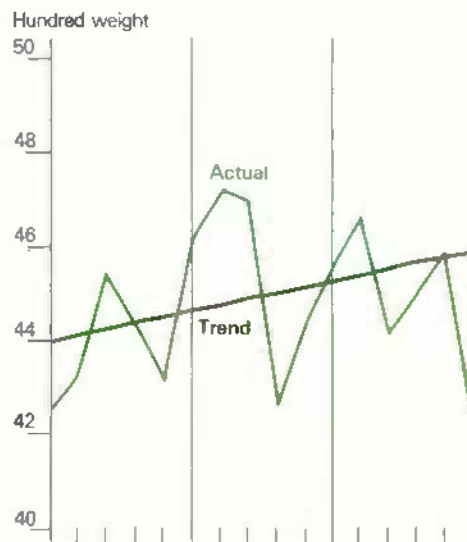
Wheat



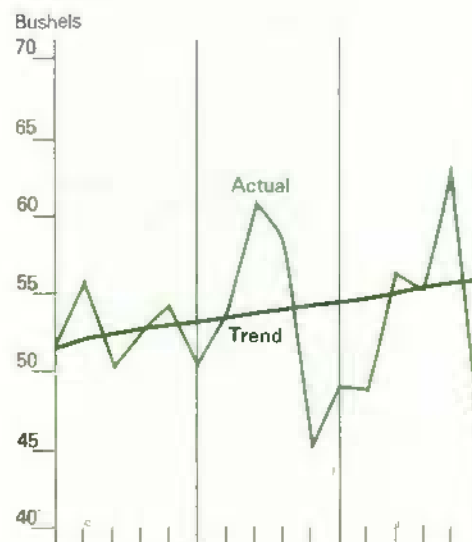
Corn



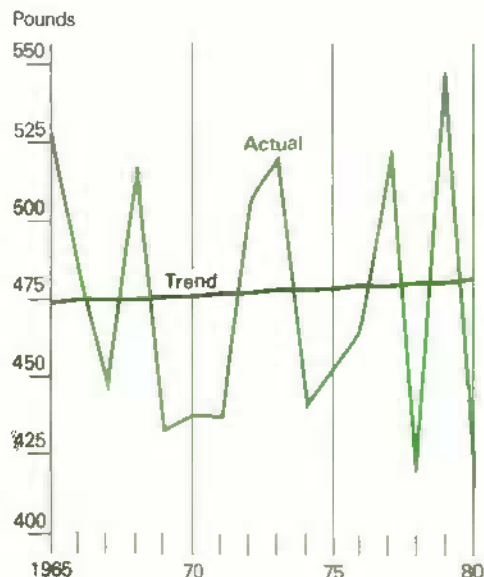
Rice



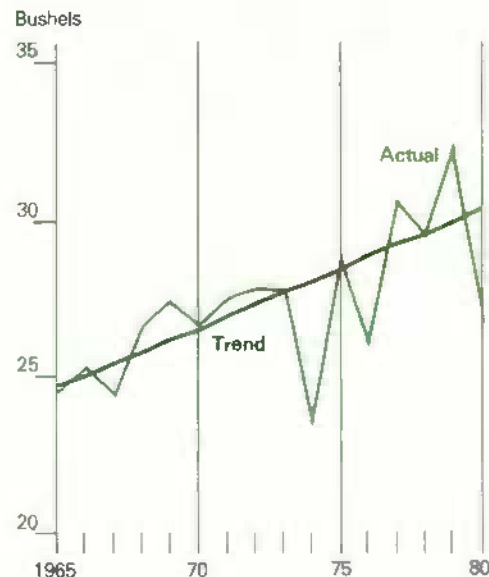
Sorghum



Cotton



Soybeans

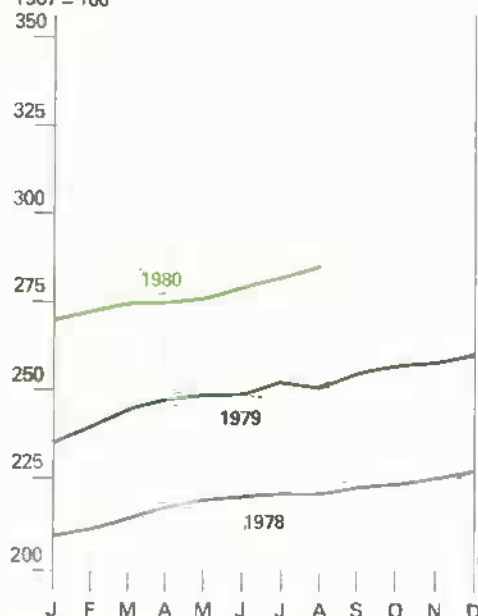


All 1980 actual yields are August 1 estimates.

Prime Indicators of the Agricultural Economy

Prices Paid by Farmers^o

1967 = 100



^oFor commodities and services, interest, taxes and wages.

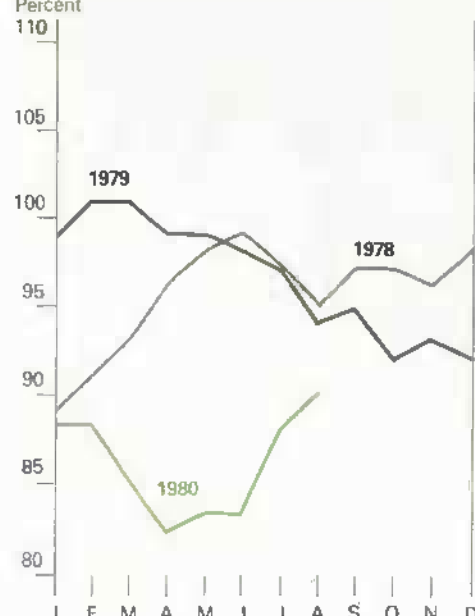
Prices Received by Farmers

1967 = 100



Ratio of Prices Received to Prices Paid

Percent



Food grain production contrasts dramatically with the situation for feed grains and oilseeds. Total production was forecast to rise 9 percent from the 1979 level as of September 1.

All-wheat output is estimated at a record 2.35 billion bushels, 10 percent higher than last year. The increase in wheat production over last year is due entirely to the record winter wheat crop, now estimated at 1.88 billion bushels. The 1980 crops of durum and other spring wheat are forecast lower than a year ago. Rice production is forecast at 140 million cwt., 2 percent above the 1979 record.

Yields and Harvested Acreage Reduced

This summer's drought and heat have lowered crop production in two ways—by decreasing yields and increasing acreage abandonment. Yields of most major crops are estimated to have fallen from last year. However, for

wheat and rice, harvested acreage is projected to increase enough to more than offset lower yields.

The harvested acreages of corn and cotton are also projected to increase from last year, but not enough to offset sharp yield declines. Although the acreage planted to sorghum and barley for harvest as grain were higher than last year, August 1 estimates indicated they have since dropped due to acreage abandonment, use for pasture, or harvest as silage. While declines in 1980 harvested acreage of oats and soybeans have been anticipated since spring, the August 1 projections were even lower because of adverse weather.

Supplies of feed grains and cotton are expected to tighten considerably during the 1980/81 marketing year. Feed grain supplies for 1980/81 are projected to total 247.7 million tons, down more than a tenth from the

1979/80 level. Carryover stocks for 1980/81 are forecast to drop a record 24.9 million tons from 1979/80 levels to 28.5 million tons. Corn carryover stocks are expected to drop 0.83 billion bushels to 0.87 billion in 1980/81. Cotton supplies will also be very tight, with beginning stocks already low and use expected to exceed production.

Crop Prices Soar

Market and farm prices for feed grains increased sharply in July and August as traders anticipated lower supplies. The index of prices received by farmers for feed grains jumped more than 9 percent from June to July and 7 percent from July to August. August prices for feed grains stood 18 percent above a year earlier.

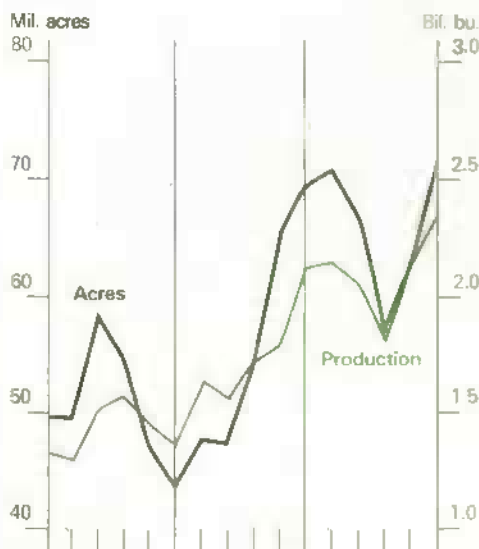
The farm price for soybeans jumped a sharp 14 percent from June to July and 4 percent from July to mid-August, but nevertheless remained 1 percent below the August 1979

Production of Selected U.S. Crops: 1979; July 1, August 1, and September 1, 1980 Projections

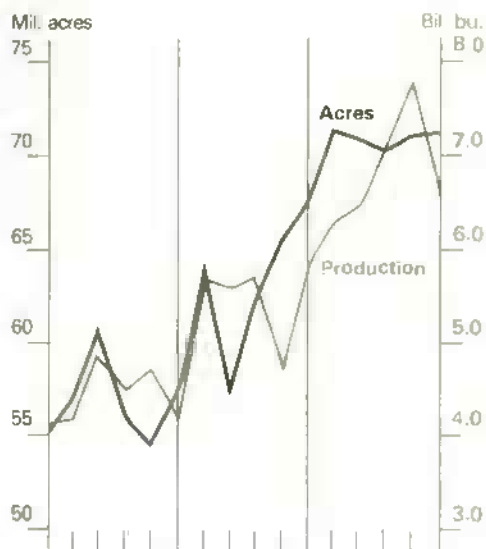
	Corn for grain	Sorghum for grain	Oats	Barley	All wheat	Winter wheat	Durum wheat	Other spring wheat	Rye	Soybeans for beans	Rice	All cotton	All hay
	million bushels										million cwt.	million bales	million tons
1979	7,763.8	814.3	534.4	378.1	2,141.7	1,608.9	106.6	426.2	24.5	2,267.6	136.7	14.6	145.9
7/1/80	7,284.0	—	449.5	328.6	2,317.1	1,848.2	90.5	378.4	15.8	—	—	—	—
8/1/80	6,645.8	552.7	440.6	340.0	2,325.0	1,870.2	100.2	354.5	16.2	1,880.3	146.1	12.8	124.4
9/1/80	6,534.4	547.1	450.7	351.6	2,353.6	1,878.7	102.9	372.0	—	1,831.2	140.2	11.7	—

Production and Harvested Acreage of Selected Crops

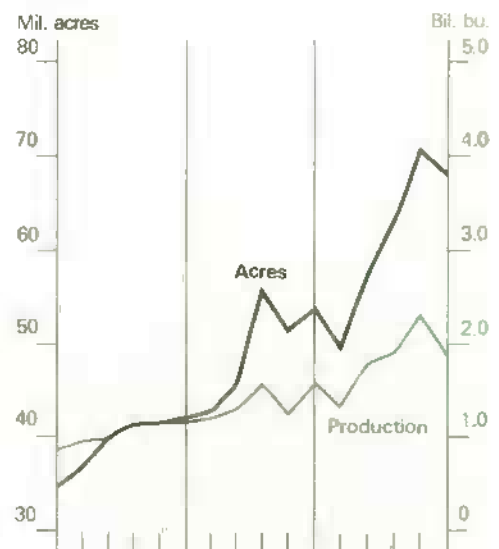
Wheat



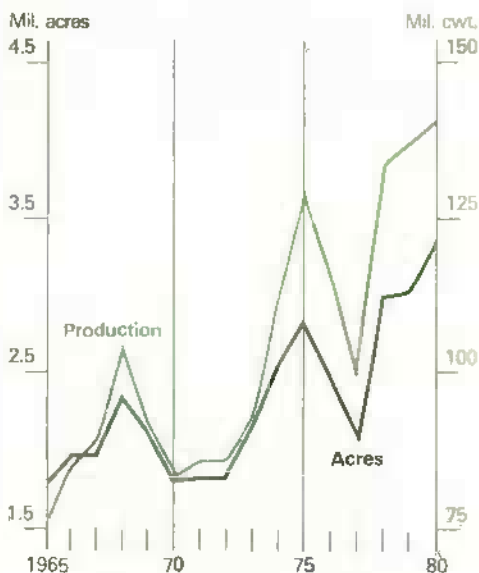
Corn



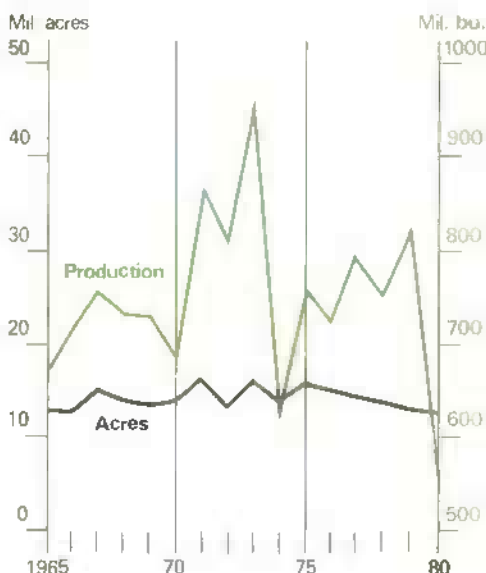
Soybeans



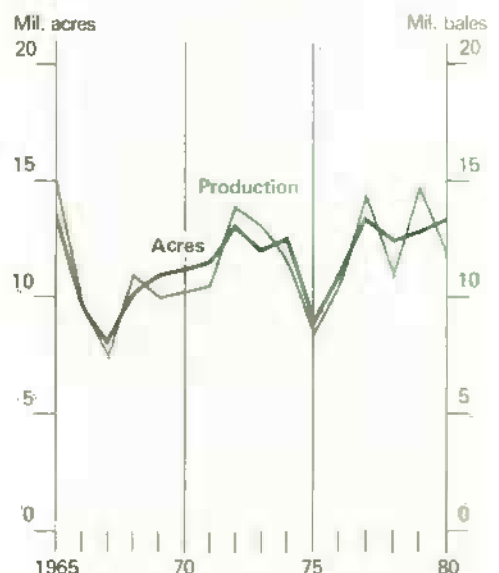
Rice



Sorghum



Cotton



price. The index of farm prices for cotton was 250 in June (1967=100), 322 in July, and 311 in August. The index for August 1979 was 263.

Even with larger supplies, the farm price index for food grains rose almost 4 percent from June to July and another 1 percent in August, to a level 4 percent higher than in August 1979. Increasing domestic use and strong export demand for rice have helped keep the farm price of rice firm despite prospects for a third consecutive year of record production. New, higher loan prices and record export demand will keep wheat prices near year-ago levels.

Fall Price Prospects

Crop prices can be expected to be quite volatile this fall, especially considering the already tight supplies of cotton and feed grains. Assuming weather conditions are normal during harvest, prices likely will show some seasonal decline; however, adverse weather during harvest could push prices above their August levels.

Prices for food grains will be less volatile than for other crops. This year's winter wheat crop—which accounts for the majority of this country's food grain output—is up 16 percent from 1979, boosting wheat supplies to a record level. Some additional feed use of wheat in place of feed grains will exert positive pressure on wheat prices. But food grain prices will ultimately be affected most by the U.S. wheat program and record export demand, both of which will work to strengthen prices.

Recent weather developments abroad could further strengthen prices of food grains, feed grains, and cotton. Excessive rain has delayed ripening and harvest of spring grains in the southeastern prairies of Canada; slowed harvest in the northwest USSR, which will delay planting of next year's winter grain crop; caused substantial losses to nearly mature cotton and rice crops in the Yangtze Valley of China; and may have damaged the winter grain crop in Santa Catarina State, Brazil.

Currently, corn, sorghum, and oats are in release status under the farmer-owned grain reserve program, but wheat and barley have been removed from release status. This means that farmers can redeem corn, sorghum, and oats from the reserve by paying off their crop loan, accrued interest, and unearned storage payments. However, wheat and barley cannot be redeemed from the reserve.

As of August 15, there were 896.3 million bushels of corn, 255.1 million bushels of wheat, and 4.5 million bushels of barley in the farmer-owned reserve. Data on sorghum and oats were not available for August 15, but there were 75.0 and 32.0 million bushels, respectively, of these grains in the reserve on July 25. The reserve had a net inflow of wheat, barley, and corn of 3.0 million, 1.6 million, and 497,100 bushels, respectively, between July 25 and August 15.

LIVESTOCK PROSPECTS:

Continued Squeeze

Livestock producers, hard hit by prices below cost of production in the first half of the year, have been hit again by rapidly escalating feed costs and poor pasture and range conditions. The index of prices paid for feed rose more than 4 percent from June to July and 7 percent from July to August.

Hay production was forecast on August 1 at 124 million tons, down 15 percent from the record 1979 crop. Only three hay crops in the past 15 years (1966, 1968, and 1976) have been smaller than this. To make matters worse, U.S. pasture and range conditions on September 1 were rated very poor, the same as on August 1.

Grain Carryover Stocks, Farmer-Owned Reserve, and CCC Inventory¹

Crop	1978/79	Estimated 1979/80	Projected 1980/81
Million metric tons			
Wheat			
Ending stocks, total	25.2	24.5	26.6
Farmer-owned reserve	10.7	6.8	7.3
CCC inventory	1.4	5.4	5.2
Free stocks	13.1	12.3	14.1
Corn			
Ending stocks, total	32.7	43.2	22.1
Farmer-owned reserve	13.7	19.1	3.8
CCC inventory	2.5	6.6	6.6
Free stocks	16.5	17.5	15.5
Total Feed Grains			
Ending stocks, total	45.9	53.4	28.5
Farmer-owned reserve	16.4	20.9	.1
CCC inventory	3.8	7.8	7.8
Free stocks	25.7	24.7	20.6
Rice			
Ending stocks, total	1.4	1.2	1.2
Farmer-owned reserve	—	—	—
CCC inventory . . . . .	.4	.1	—
Free stocks	1.0	1.1	1.2
Total Grains²			
Ending stocks, total	72.8	79.4	56.4
Farmer-owned reserve	27.1	27.7	7.4
CCC inventory	5.6	13.3	13.0
Free stocks	40.1	38.4	36.0

¹ Farmer-owned reserves and CCC inventory are as of June 1 for wheat, Oct. 1 for feed grains, and August 1 for rice. ² Includes rye.

The index of prices received for livestock and products rose 6 percent from June to July and 5 percent from July to August. Prices for poultry and eggs have climbed the most, with the index of farm prices increasing 17 percent from June to July and 6 percent from July to August. Loss of broilers due to excessive heat caused some of this price movement.

The index of prices received for meat animals moved up moderately, with a 7-percent increase from June to July and a 5-percent gain from July to August. That index was still below year-ago levels in July, but moved substantially higher than a year earlier in August. Prices for dairy products have shown little seasonal rise this summer, but remained well above year-ago levels during July and August.

Higher feed prices are the main new factor in the outlook for livestock. They will substantially raise the cost of producing broilers, eggs, pork, and fed beef. Some producers may find that, even with higher farm prices for broilers, eggs, and hogs, higher feed costs have eroded these gains, leaving them near or below their production costs.

Pork production will drop in the first part of 1981 because of earlier cutbacks in farrowings, and poultry production may also be down a little. Beef producers may increase production slightly during January-June of 1981, but this will not offset the lower pork and poultry output. Thus, total meat supplies will be down.

As of August 1, cattle and calves on feed in 7 States numbered 4 percent below a year ago and 12 percent less than the previous year. Net placements of cattle and calves on feed were up 31 percent from last July but still 3 percent below July 1978. (*AO Economics Staff* (202) 447-2317)

New Farm Sector Accounts To Be Reported

Later this month, USDA's Economics, Statistics, and Cooperatives Service will introduce a comprehensive new set of indicators of the economic well-being and performance of the farm sector. The product of 2 years' research, the new set of measures will significantly improve several areas of the old sector accounts long noted as limitations.

The new indicators will measure economic conditions in the farm production sector as well as for farm establishments. They will also be more consistent with the National Income Accounts prepared by the Department of Commerce and are designed to be flexible enough to eventually be extended to subsector and institutional levels.

The new farm sector accounts will be published in a series of statistical reports entitled *Economic Indicators of the Farm Sector*. The first of these will contain national income and asset statistics under the new accounts, in addition to the traditional income and asset statistics formerly published in *The Balance Sheet of the Farming Sector* and *Farm Income Statistics*.

This year, the new sector accounts will include data for 1977-79 on the financial status of the farm sector, production transactions, and operators' income. Next year, a longer historical data series will be presented. Subsequent bulletins in the "Economic Indicators" series will include state-level income and asset statistics, previously published in *Changes in Farm Production and Efficiency*, and a new statistical bulletin carrying cost of production estimates for crop and livestock enterprises.

Publication of the new accounts marks the first step in a longer-term program of developing and implementing more comprehensive and informative measures of the economic performance and well-being of the farm sector. The old farm income measures have long been criticized as inadequate for a modern farm sector characterized by such wide diversity of farms and financial circumstances.

A major part of this upgrading process is to identify and collect new data so that the aggregate accounts can be expanded to provide more information on farms by type, size, and location, and on other subsector groups. During the next few years, statistics under the new sector accounts will be published, in addition to all the traditional measures of net farm income currently used.

For the Latest on 1980 Crops..

From now through the end of the 1980 harvest season, the Crop Reporting Board's monthly estimates of crop acreage, yield, and production will become more and more exact. To help *Agricultural Outlook* readers keep abreast of the latest estimates on the size of this year's crops, the major contents of the *Crop Production* reports for October, November, and December are detailed below.

October 11

Indicated area harvested, yield, and production as of October 1 of corn for grain, sorghum, soybeans, cotton, sunflower, rice, all wheat, durum and other spring wheat, flaxseed, hay, sweetpotatoes, tobacco, dry edible beans, peanuts, sugarbeets, and sugarcane. Also included will be planted acreage, indicated area harvested, yield, and production of fall potatoes, as well as indicated production of commercial apples, grapes, prunes and plums, cranberries, filberts, pecans, and 1980/81 citrus fruits.

November 10

Indicated area harvested, yield, and production as of November 1 of corn for grain, sorghum, soybeans, cotton, rice, peanuts, dry edible beans, fall potatoes, tobacco, sugarbeets, and sugarcane. Also given will be production of prunes, cranberries, filberts, and 1980/81 citrus fruits.

December 10

Indicated area harvested, yield, and production of cotton and burley tobacco, and indicated production of pecans and 1980/81 citrus fruits. In addition, monthly marketings of corn, sorghum, barley, oats, wheat, cotton, soybeans, flaxseed, hay, peanuts, and dry edible beans will be included in this report.

To order a single copy of *Crop Production*, or to be placed on a mailing list for the report, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250.



Farm Income Update

The heat and drought that struck many parts of the country this summer have diminished crop prospects and, consequently, raised farm prices. While this has improved income prospects for the farm sector as a whole, the gains are not uniformly shared.

Those farmers harvesting poor crops this fall will suffer, while those with good crops will benefit the most from the higher prices. For livestock producers, on the other hand, the higher crop prices mean higher feed prices and increased production costs. When the gains and losses are balanced out, U.S. net farm income will be somewhat higher than earlier expected.

Net farm income in 1980 is currently forecast between \$23 and \$25 billion, down 20 to 25 percent from 1979. A large part of this decline is due to inventory adjustment. In 1979 the value of the change in farm product inventories was over \$4 billion, but in 1980 there will be no increase in this value. The decline in net farm income before inventory adjustment will be 7 to 14 percent, only about half the decline in net farm income after inventory adjustment. On a cash income basis, the decline this year will be about the same—perhaps 8 to 13 percent.

These forecasts reflect recent revisions in the 1979 income estimates as well as prospects for smaller 1980 crops. However, much of the effect on farm income of this summer's hot, dry weather will not show up until 1981.

1979 INCOME ESTIMATE COMPLETED

In July or August of each year, detailed farm income estimates for the previous year are completed, and statistics for the 2 preceding years are revised to reflect the most recent data available on income and expenses.

One of the major sources of new information is the Farm Production Expenditures Survey, which is conducted each winter to collect data from farmers on their production expenses during the previous calendar year. Although some price information is available on inputs during the year, actual quantities used by farmers are generally not known. As a result, total production expenditures for the previous year remain forecasts until the expenditure survey data become available around midyear.

New or revised data are also available in May and June of each year on agricultural prices paid and received by farmers, production and disposition of crop and livestock products in the previous year, and commodity marketing patterns.

The first estimate of net farm income for 1979 is \$31.0 billion after inventory adjustment, compared with the earlier forecast of \$33.3 billion. Before inventory adjustment, net farm income in 1979 was \$26.9 billion.

Expenditures . . .

Based on new information from the Farm Production Expenditures Survey, 1979 production expenses, including an allowance for depreciation and perquisites to hired labor, were estimated at \$118.6 billion, an 18-percent increase from 1978. Actual expenses for short-term interest, chemicals, hired labor, and livestock were higher than earlier forecast, while those for fertilizer, fuel, and taxes were somewhat lower.

Expenses climbed the most last year for fuel (+35%), short-term interest (+34%), machine hire and chemicals (+26%), and livestock purchased (+25%). Smaller increases were recorded for taxes (+6%) and fertilizer (+8%).

Inputs of farm origin (feed, livestock, and seed) increased 20 percent last year and

Production Expenses 1976-79

	1976	1977	1978	1979
Million dollars				
Feed	14,370	14,054	14,329	17,004
Livestock	5,871	7,033	10,113	12,684
Seed	2,537	2,904	3,054	3,400
Fertilizer	6,141	6,142	6,193	6,692
Repair and operation	5,130	5,765	6,620	7,384
Fuel	3,966	4,356	4,647	6,281
Hired labor	7,037	7,813	8,087	9,239
Machine hire	2,078	2,314	2,518	3,165
Pesticides	2,043	2,009	2,429	3,057
Short-term interest	3,182	3,971	4,902	6,576
Other operating expenses	5,283	6,228	7,109	8,341
Depreciation	13,813	15,342	16,795	18,954
Taxes	3,607	3,940	4,019	4,259
Real estate interest	3,852	4,365	5,120	6,260
Net rent to nonoperator landlord	4,220	4,058	4,852	5,320
Total Production Expenses	83,130	90,294	100,787	118,616

Cash Receipts 1976-79

	1976	1977	1978	1979
	Million dollars			
CROP RECEIPTS:				
Food Grains	6,896	6,041	5,891	8,618
Wheat	5,838	5,062	4,738	7,340
Rice	1,030	951	1,113	1,239
Feed Grain and Hay	13,075	11,885	11,278	14,411
Corn	9,416	8,598	8,100	10,604
Oats	338	313	282	276
Barley	652	543	595	652
Sorghum	1,161	1,003	928	1,210
Hay	1,509	1,427	1,372	1,669
Oil Crops	9,406	9,819	13,238	14,585
Soybeans	8,617	8,700	11,781	13,238
Other oil crops	789	1,119	1,457	1,347
Cotton (incl. seed)	3,477	3,470	3,467	4,005
Tobacco	2,310	2,331	2,606	2,271
Fruits and Nuts	3,646	4,341	5,532	6,440
Vegetables	5,242	5,672	6,034	6,526
Other Crops	4,616	4,780	5,436	5,965
TOTAL CROPS	48,668	48,339	53,482	62,820
LIVESTOCK RECEIPTS:				
Red Meats	26,954	27,842	37,490	44,186
Cattle and calves	19,302	20,222	28,205	34,849
Hogs	7,261	7,230	8,823	8,853
Sheep and Lambs	392	391	463	484
Poultry and Eggs	7,164	7,216	8,130	8,896
Broilers	2,926	3,111	3,722	4,017
Turkeys	825	910	1,157	1,216
Eggs	3,136	2,918	2,953	3,314
Other poultry	277	277	298	349
Dairy products	11,428	11,752	12,690	14,750
Wholesale milk	—	11,490	12,407	14,439
Other dairy products	—	262	283	311
Other Livestock Products	566	615	728	807
TOTAL LIVESTOCK	46,112	47,425	59,038	68,639
TOTAL CROP AND LIVESTOCK	94,780	95,764	112,520	131,459

accounted for about 28 percent of total expenses, slightly more than in 1978. Fuel costs, while growing in importance, still account for a relatively small proportion of total costs. They represented 5.3 percent of total expenses last year, compared with 4.1 percent 10 years earlier. Interest expenses are also becoming more important, reaching 10.8 percent of the total last year, compared with only about 7 percent 10 years ago.

... And Receipts Rose Sharply in 1979

Total cash receipts from farm marketings in 1979 are now estimated to be \$131.5 billion, 17 percent more than in 1978. Crop receipts rose 17 percent and livestock receipts 16 percent. Earlier forecasts had placed 1979 total cash receipts at about \$129 billion.

Cash receipts for crops in 1979 totaled a record \$62.8 billion, reflecting strong export demand, large crops, and relatively high prices. Cash receipts for wheat rose 55 percent last year to \$7.3 billion, and feed grain receipts were up 29 percent to \$12.7 billion. Receipts for corn, the primary feed grain, jumped 31 percent.

Cash receipts for livestock and products rose to a record \$68.6 billion in 1979, reflecting higher prices for cattle, broilers, and milk. Cash receipts for cattle and calves climbed 24 percent, with the 37-percent rise in farm prices for cattle more than offsetting the 11-percent drop in beef production. Broiler cash receipts rose 8 percent as larger broiler marketings more than offset a slight price decline. Larger production and higher prices last year contributed to a 16-percent jump in milk receipts.

Government Payments Declined in 1979 . . .

Direct government payments totaled \$1.4 billion in 1979, less than half the 1978 total. Last year's drop in payments primarily reflects reductions in deficiency payments under the feed grain and wheat programs. Storage payments for the farmer-owned reserve amounted to about \$250 million in 1979, only slightly less than in 1978.

Other cash income in 1979 of about \$2.0 billion includes income from farm recreational activities, machine hire, and custom work. The imputed rental value of farm dwellings was estimated to be \$9.1 billion and the value of home consumption \$1.5 billion.

... While Inventory Value Showed a Big Gain

Reflecting last year's record crop production and the buildup of the hog inventory, the value of the change in crop and livestock inventories was \$4.1 billion—ten times larger than in 1978. This increase comprised overall gains of \$3.4 billion in crop inventories and \$.7 billion in livestock inventories.

After inventory adjustment, net farm income totaled \$31.0 billion last year, a gain of 19 percent from 1978. In constant (1967) dollars, the gain was 7 percent. Farmers did not, however, realize income in 1979 from the inventory adjustment. Before inventory adjustment, net farm income was \$26.9 billion, up only 5 percent from 1978.

Farmers' Cash Flow Also Improved in 1979

The cash-flow situation of farmers is an important measure of economic conditions in the farm sector. Cash income can be approximated from the farm income accounts data by leaving out imputed income such as the rental value of operator dwellings, the value of the change in inventories, and the imputed expenses such as depreciation and noncash labor expenses.

Total cash income is the sum of cash receipts from marketings of crops and livestock, other cash income, and direct government payments. Total cash expenses are the same as total production expenses except that noncash labor expenses and capital depreciation are excluded. The difference between total cash income and total cash expenses is a general measure of cash income available for capital expenditures and operator income.

Total cash income in 1979 was about \$135 billion, a gain of 15 percent from 1978. Total cash production expenses, however, rose 19 percent to \$99 billion. Thus, net cash income increased in 1979 only about 6 percent, compared with the 19-percent increase in net farm income after inventory adjustment.

1980 INCOME PROSPECTS

The recent crop and livestock price gains have significantly improved the income outlook for the last half of 1980, but depressed prices earlier in the year will still result in a significant decline in net farm income for the year.

Total cash receipts in the first half of 1980 were only about 2 percent above a year earlier, but production expenses were probably up 10 percent or more. Receipts to livestock producers were down 4 percent in the first half, while crop receipts were up about 9 percent.

During the second half of 1980, total cash receipts are expected to be 6 to 8 percent greater than a year earlier. Livestock receipts may be up 2 to 4 percent, while crop receipts are expected to rise 10 to 12 percent. For the entire year, total cash receipts may climb 10 to 12 percent, with crop receipts up 10 percent or more and livestock receipts about the same as in 1979.

Cash and Net Farm Income, 1976-80

	1976	1977	1978	1979	1980F
	\$ Billion				
Cash Receipts:					
Crops	48.7	48.3	53.5	62.8	68-72
Livestock	46.1	47.4	59.0	68.6	67-71
Total	94.8	95.8	112.5	131.5	136-142
Other Cash Income¹	1.4	1.6	1.7	2.0	2.0-2.5
Government Payments . . . . .	.7	1.8	3.0	1.4	1.5-2.0
Total Cash Income	96.9	99.2	117.2	134.8	140-147
Nonmoney Income²	7.3	8.3	9.2	10.7	11-12
Total Farm Income	104.2	107.5	126.5	145.5	151-157
Production Expenses:					
Total Cash Expenses	68.8	74.4	83.4	99.0	107-112
Non-cash Expenses ³	14.3	15.9	17.4	19.6	21-22
Total Production Expenses	83.1	90.3	100.8	118.6	128-134
Net Cash Income⁴	28.1	24.8	33.8	35.8	31-33
Net Farm Income before Inventory Adjustment⁵	21.1	17.2	25.7	26.9	23-25
Value of Inventory Change	-2.4	.6	.4	4.1	0
Net Farm Income after Inventory Adjustment	18.7	17.8	26.1	31.0	23-25

F=Forecast. Totals may not add due to rounding. ¹Income from recreation and machine hire and custom work. ²Imputed rental value of operator dwellings and value of farm products consumed on the farm. ³Includes perquisites to hired labor and depreciation of farm capital. ⁴Total cash income less total cash expenses. Represents cash income available for capital expenditures and operator income. ⁵Total farm income less total production expenses.

Gain in Cash Receipts . . .

Receipts for corn, cotton, tobacco, wheat, and rice could climb 15 percent or more from last year's levels. Only modest gains are expected for fruits and vegetables. Soybean receipts, earlier expected to decline this year, may now exceed 1979's record level due to the projected 17-percent drop in production and consequent substantial price rise.

Livestock receipts are expected to be about the same as the record 1979 level. Milk receipts may be up more than a tenth, with both output and prices higher than in 1979. Broiler receipts will rise only slightly, as production is little changed from 1979 and prices are only slightly higher.

The recent strength in cattle, hog, and egg prices is not likely to offset the depressed levels of earlier this year; prices received by farmers for these commodities will still average below 1979 levels. Although pork production will be up about a tenth in 1980, lower prices will still cause receipts to decline. Egg production will be about the same as in 1979, but lower egg prices point to reduced receipts. Cattle receipts will be down slightly from 1979, reflecting small declines in both prices and marketings.

... To be Outstripped by Rising Costs

Although cash receipts from farming will reach a record high this year, production expenses will increase even more, causing the decline in net income. Production expenses are expected to increase 10 to 12 percent, with current indications pointing to the lower end of that range.

As in 1979, the largest increases will be for interest, fuels, and agricultural chemicals. Fertilizer expenses will also be up substantially, with sharp price increases in the spring more than offsetting a decline in total fertilizer use.

In contrast with last year, the cost of farm-origin inputs will rise only slightly in 1980. Increased feed expenses will be largely offset by reduced feeder livestock expenses.

The increase in 1980 production expenses has been revised downward from forecasts made earlier this year due primarily to moderation in fuel prices and interest rates. In addition, farmers apparently have reduced their use of some inputs (especially fertilizer and fuel) in response to price increases, the tight credit situation during spring planting, and the earlier prospect for reduced cash flow. The full extent of any reduction in input use will not be certified until 1980 production expenditures survey data become available in mid-1981.

Inventory Change To Decline

Another major factor contributing to the reduction in this year's net farm income is the substantial decline in the value of the change in farm inventories. This value is expected to drop from over \$4 billion in 1979 to essentially zero in 1980, as higher prices and some increase in the cattle herd about offset smaller crop production, a drawdown in feed grain stocks, and fewer hogs.

When all factors are considered—the modest gain in cash receipts, a small increase in government payments, about a 10-percent rise in nonmoney and other income, a sharp decline in the value of the change in inventories, and a 10-percent increase in production expenses—net farm income is placed in a likely range of \$23 to \$25 billion, down 20 to 25 percent from 1979. Much of the decline is due to the large change in inventories from 1979 to 1980. As a result, the decline in net farm income before inventory adjustment and in cash income may be 7 to 14 percent.

Net Income Varies Widely Among Farmers

While the aggregate measures point to significant income declines in 1980, they mask significant differences in the income situation of various groups of farmers. The income of farmers whose yields were sharply reduced by this summer's drought and heat will decline severely this year, even with disaster payments. Because of the sharp decline in production, cash receipts to these producers will be down despite recent price gains. Alternatively, many crop producers will have good yields, large production, and higher prices—and, consequently, an improved income situation.

Actual producer incomes in 1980 also depend greatly on the commodity produced. In general, crop producers will have a better income year than livestock producers. Even within commodity groups, the income situation will vary according to the tenure of the operator, debt/equity position, and other factors. (George Hoffman (202) 447-2317)

Upcoming Situation Reports

Situation reports that will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Tobacco	Sept. 23
World Agricultural	Sept. 29
Rice	Oct. 1
Dairy	Oct. 14
Ag Supply & Demand	Oct. 17

Single copies of the above reports can be obtained by writing to: ESCS Publications, Room 0054-South Building, Washington, D.C. 20250.

OUTLOOK '81



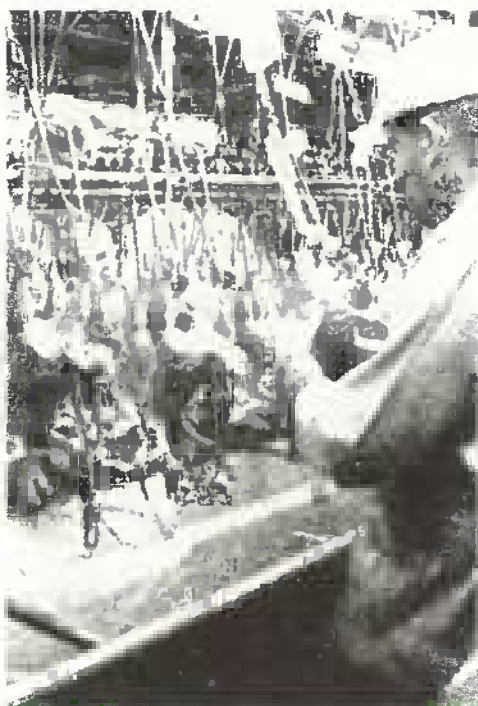
USDA's 57th annual Agricultural Outlook Conference will be held November 17-20 in Washington, D.C.

Presentations will be made on the outlook for trade and commodities during 1981, along with sessions on food prices, farm income, credit, weather, energy, transportation, and industrial inputs. Specific sessions on November 19 and 20 will examine agricultural policy, especially as it relates to the shaping of 1981 farm and food legislation.

A session on family living will explore finances, housing, and transportation for rural America along with topics such as dietary issues and changing roles of rural women.

The conference is expected to draw about 1,000 participants from academia and government, plus representatives of business, trade, and consumer groups.

Preliminary conference information can be obtained by writing to: Outlook '81, WFAOSB—Room 3510-S, U.S. Department of Agriculture, Washington, D.C. 20250. Those who registered at last year's conference will be mailed this information in late September.



Food and Marketing

In the past month, the retail food price outlook was altered somewhat by this summer's hot, dry weather, which has reduced the size of 1980 grain and oilseed crops and affected livestock marketings. Furthermore, with the general economic outlook now less pessimistic, additional demand pressure may be put on food prices.

Despite the upward impact of these factors, the retail food price increase in 1980 is still expected to range from 8 to 10 percent.

In the third quarter of 1980, retail food prices are estimated to rise at an annual rate of 13 to 15 percent, up sharply from the second-quarter figure of 8.8 percent. This acceleration is attributed to increases in the farm value of foods, particularly livestock products. The farm value is now recovering from the depressed second-quarter levels as livestock producers have adjusted production to cope with low or negative margins.

In the fourth quarter, the rate of food price increases is expected to moderate somewhat but is still likely to be higher than in the first and second quarters. The fourth-quarter increase will also be primarily attributed to higher farm value of foods.

The cause of these food price rises contrasts sharply with the first half of 1980, when food prices rose mainly on the strength of higher marketing costs. Marketing costs, which generally parallel the inflation rate for nonfood items, are expected to add less to retail food price rises as the general rate of inflation slows.

August Producer Price Index for Food Rises Sharply

The Producer Price Index (PPI) for food items rose sharply at all three stages of production from July to August, the second consecutive month of relatively large increases. On an unadjusted basis, finished consumer foods rose 2.3 percent, intermediate foods and feeds rose 5.6 percent, and crude foodstuffs and feedstuffs rose 5.1 percent. Higher prices for meats, fats and oils, fruits and vegetables, and sugar were the major causes.

Although the monthly August PPI increases were large, future increases in retail food prices, as measured by the Consumer Price Index (CPI-U), are expected to be smaller. Monthly changes in the PPI for finished consumer foods frequently show wide swings and overstate the change in the food component of the CPI. This is because of three main factors.

First, the short sampling period used for the PPI may result in the lowest prices for the month being collected in one survey and the highest prices for the following month in the next survey. Second, the number of markets surveyed for each commodity group in the PPI is smaller than for the CPI. Third, the additional marketing costs implicit in the CPI retail prices surveyed tend to smooth the variation in farm level price changes.

Partly because of these factors, the July food CPI increased 1.1 percent, while the PPI for finished consumer foods rose 3.7 percent. (Ralph Parlett (202) 447-6860)

Marketing Costs To Rise Slower in Second Half

Food marketing costs are expected to average about 11 percent higher this year than in 1979. Increases in these costs are expected to moderate in the second half of the year along with the general rate of inflation.

Costs for packaging materials and energy, which rose sharply in the first half of the year, are expected to rise more slowly in both the third and fourth quarters. Producer prices of packaging materials declined 0.5

percent from June to July, following sharp monthly increases in the first half of the year. Sharp price declines for paperboard (down 1.6 percent) and polyethylene resin (down 1.7 percent) led the way.

These declines can be attributed to slackening demand as firms using these materials adjust output to weaker market conditions. Prices of packaging materials are expected to remain soft for the remainder of the year.

Freight Rates Pushed Up by Higher Fuel Prices

In July, truck freight rates for shipping produce from Southern California to New York were 13 percent higher than a year earlier. Estimated truck costs per mile rose 20 percent over the same period, with about half this increase due to higher fuel prices. Truck rates for hauling produce tend to vary seasonally due to supply and demand conditions, whereas operating costs tend to rise steadily.

Regulated rail freight rates for food products rose 4.2 percent from June to July, bringing these rates to a level 23 percent above a year earlier. The July rise resulted from a general freight rate increase for the Southern and Western regions authorized by the Interstate Commerce Commission to cover increased costs.

Production Cutbacks Raise Farm Value

Due to production cutbacks by livestock and poultry producers and some effects of this summer's drought and heat, the expected 1980 farm value of U.S.-produced foods has been revised from \$78 to \$80 billion. Recent strength in farm prices for meat animals, broilers, and oilseeds accounts for most of this increase.

As a result, retail expenditures for domestically produced farm foods are now expected to total about \$262 billion in 1980. The marketing bill—a measure of processing and distribution costs for U.S. farm foods—is expected to total \$182 billion.

Food and Marketing Indicators:

CPI: Total Food



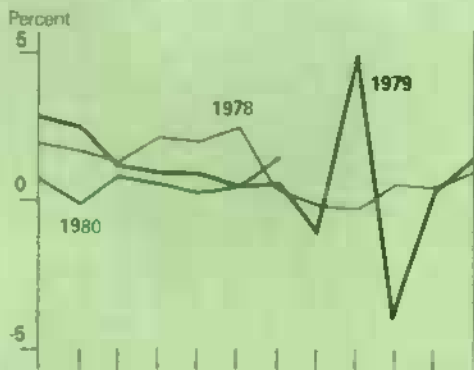
CPI: Food at Home



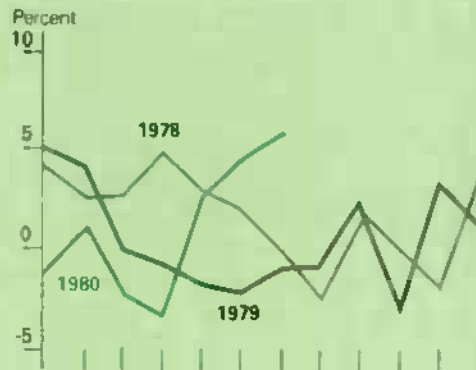
CPI: Food Away from Home



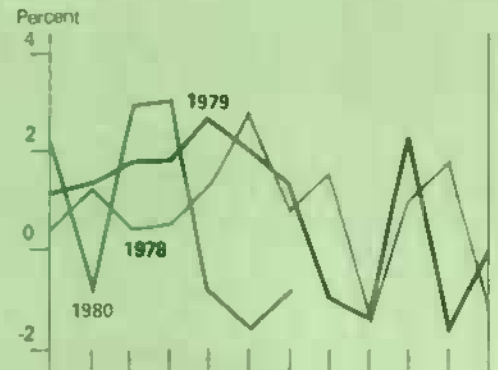
Farm Food Market Basket



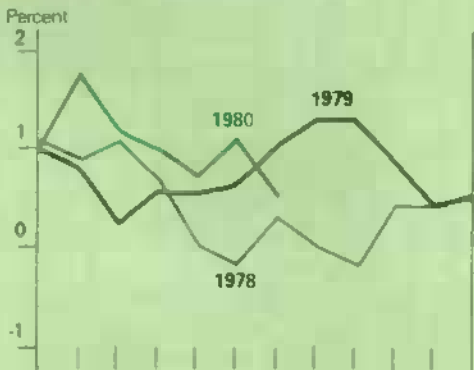
Farm Value



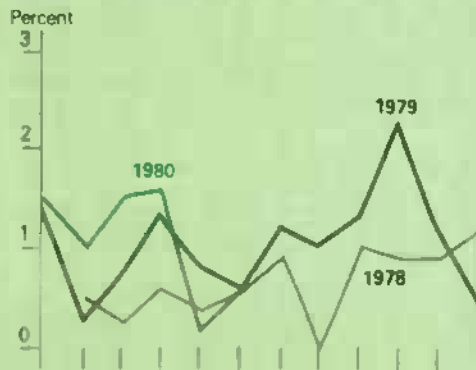
Farm-to-Retail Spread



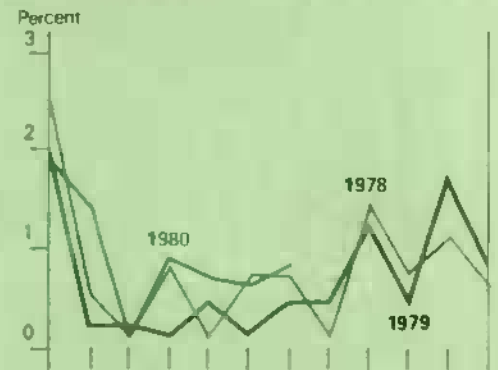
Imported Food and Fishery Products



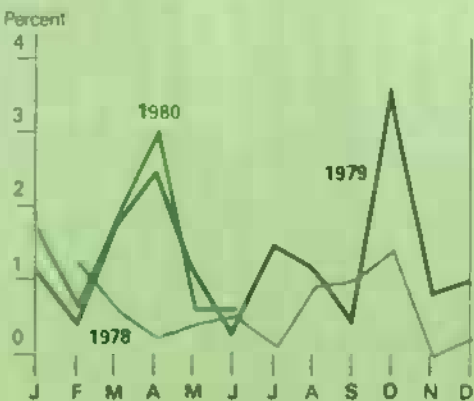
Marketing Cost Index



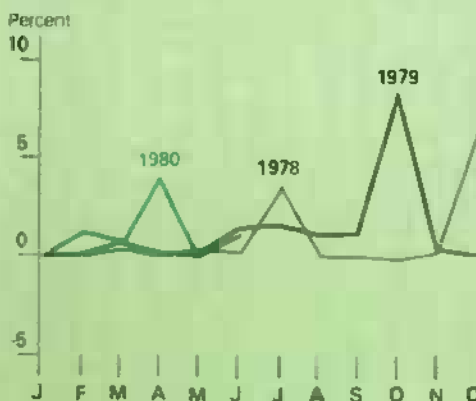
Labor



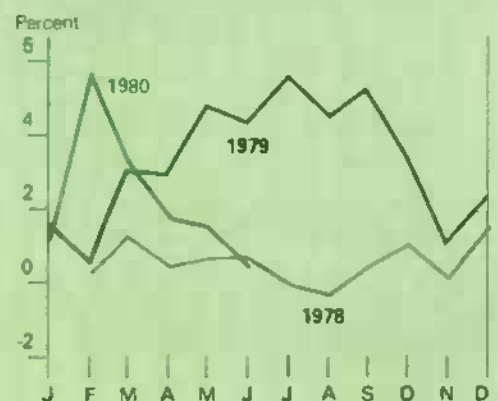
Packaging



Rail Freight Rates



Energy



CPI unadjusted. All series expressed as percentage change from previous month.

Retail Food Prices Rose Sharply in July

In July, the Consumer Price Index (CPI-U) for food rose 1.1 percent before seasonal adjustment. Prices in grocery stores rose 1.4 percent from June to July, the largest monthly rise of 1980. However, prices for meals purchased away from home rose only 0.5 percent. Even with the July increase, retail food prices were only 7.6 percent higher than in July 1979, whereas nonfood prices were 14.4 percent higher.

The rise in grocery store food prices primarily reflects a 5.8-percent increase in the farm value of foods. Farm-level hog, broiler, and egg prices were the major contributors, rising sharply from the depressed levels of the first half. The farm-to-retail price spread fell 0.9 percent, while retail fish and imported food prices rose 0.6 percent.

Market Basket Of Farm Foods¹

Period	Retail cost	Farm value	Farm-retail spread	Farm value share of retail cost
		1967=100		Percent
1968	103.6	105.3	102.6	38
1969	109.1	114.8	105.7	39
1970	113.7	114.0	113.5	37
1971	115.7	114.6	116.4	37
1972	121.3	125.3	119.1	38
1973	142.3	167.9	127.2	44
1974	161.9	181.5	150.4	41
1975	173.6	187.8	165.2	40
1976	175.4	178.0	173.9	38
1977	179.2	178.3	179.7	37
1978	199.4	205.6	195.7	38
1979 ² . . .	222.7	228.2	219.5	38
1979 ²				
I	217.4	229.7	210.3	39
II	223.8	234.0	217.7	39
III	224.3	223.7	224.7	37
IV	225.3	225.5	225.2	37
1980 ²				
I	229.8	226.0	232.0	36
II	233.7	226.9	237.7	36

¹ Revised, see text for explanation of revision. The market basket represents all foods originating on U.S. farms sold in retail food stores. The retail cost is a special index of retail prices for domestically produced foods published by the Bureau of Labor Statistics. The farm value is the payment to farmers for the farm products equivalent to foods in the market basket. The spread is the difference between the retail cost and farm value. ² Preliminary.

Retail prices for red meats rose 3.2 percent in July after having fallen for 3 consecutive months. This resulted from declining retail supplies reflecting the initial effects of planned production cutbacks, seasonal marketing patterns, and adverse weather conditions. Despite the July increase, red meat prices were 1.9 percent below July 1979 levels as retail supplies, especially of pork, were plentiful in the first half of the year.

Poultry and egg prices shot up 5.6 and 4.3 percent, respectively, in July. Supplies of these foods were tighter due to planned production cutbacks in response to depressed prices earlier in the year. In addition, hot weather over a significant portion of the poultry-producing area aggravated an already tight supply situation.

Led by higher prices for apples and oranges, prices for fresh fruit rose 3.2 percent in July. Strong demand, especially for exports, coupled with sharply smaller cold storage holdings strengthened apple prices and will keep them strong until the new harvest. Prices for oranges rose due to a seasonal slowdown of the fresh citrus harvest.

Prices for fresh vegetables rose 1.3 percent in July. Potato prices were up a sharp 26.1 percent, reflecting the effects of the drought on the Red River Valley crop and the decline in potato acreage for this year's crop. Partly offsetting higher potato prices were steep price declines for lettuce (down 13.8 percent) and tomatoes (down 9.3 percent), as summer produce began to be harvested.

Prices for cereals and bakery products rose 0.8 percent, reflecting increased marketing costs as well as higher grain prices. Prices for less highly processed cereals and cereal products rose 1.4 percent as higher grain prices were passed through to retail. Prices for more highly processed bakery products rose only 0.5 percent, but they are likely to show larger increases in coming months as higher grain prices begin to affect these products.

Prices for dairy products rose 0.6 percent in July. Prices for fresh milk and cream rose only 0.5 percent due to seasonally low summer demand. Processed dairy products, however, rose 0.8 percent in price, reflecting higher marketing costs.

Prices for sugar and sweets rose 3.2 percent as higher raw sugar prices continued to be passed through to retail. Prices for fats and oils fell 0.3 percent as supplies of oilseeds remained adequate. Nonalcoholic beverage prices rose 0.4 percent, with only small changes observed for coffee and soft drinks. Higher marketing costs were the primary cause of the 0.6-percent rise in prices for other prepared foods.

Larger Food Price Increases in Store for 1981

Retail food prices could rise 10 to 15 percent next year, largely because of higher meat prices. Total red meat and poultry production in 1981 will be lower than the record level of 1980. Pork production will be down substantially, offsetting slight gains in beef and poultry output.

The increases in farm value that began in the second half of 1980 will continue into 1981. As a result, the farm value of foods will contribute significantly more to food price rises next year than it has in 1980.

Food marketing costs, following the inflation rate, are expected to rise at a slightly lower rate in 1981. Labor costs are expected to rise about as much as in 1980, as lower wage-rate increases will be offset by the January 1 Social Security tax increase. Costs for energy, transportation, and packaging materials will likely increase less than in 1980 as purchasing firms adjust for weaker markets. (Leland Southard and Ralph Parlett (202) 447-6860)

Market Basket Statistics for Meat Products¹

Period	Retail cost	Farm value	Farm-retail spread	Farm value share of retail cost
		1967=100		Percent
1968 . . .	100.6	101.6	99.5	54.5
1969 . . .	111.4	116.4	105.5	56.4
1970 . . .	116.6	113.7	120.0	52.6
1971 . . .	115.5	112.1	119.3	52.4
1972 . . .	129.3	133.2	124.7	55.6
1973 . . .	160.1	179.5	137.4	60.5
1974 . . .	162.9	162.1	163.9	53.7
1975 . . .	178.3	188.3	166.5	57.0
1976 . . .	178.5	170.1	188.4	51.4
1977 . . .	174.3	169.8	179.5	52.6
1978 . . .	206.8	206.4	207.3	53.8
1979 . . .	241.9	234.6	250.4	52.3
1979				
I	236.8	241.4	231.4	55.0
II	250.0	250.7	249.1	54.1
III	241.3	222.8	263.0	49.8
IV	239.4	223.5	258.1	50.4
1980				
I	244.6	226.9	265.4	50.0
II	240.0	217.2	266.7	48.8

¹ Revised, see text for explanation of revision.

Market Basket Revisions

The market basket statistics have been revised back to January 1978 to reflect changes in data and procedures used in calculating the farm value for meats.

Three major changes were incorporated into these revisions. First, in computing the farm value of red meats, weights given various livestock prices were made comparable to expenditure weights of various meat products used in the retail cost index. Second, the factors for conversion from live animal weight to retail weight were updated to reflect current industry practices. Third, a 2-week lag was introduced between farm value and cost for fresh meats and a 1-month lag for processed meats.

As a result of these weight revisions, slaughter cattle prices have increased in importance relative to hog prices in the farm value series. Also, processed meats have a greater impact on retail cost than formerly.

There is now more consistency between movements of retail cost and farm value of the market basket meat category. Also, there is less volatility in the monthly farm-to-retail price spread for meats.

For 1978 and 1979, these revisions reduced the farm value share of the retail cost for meat by about 4 percentage points, and the farm value share of the retail cost of the total market basket by about 1 percentage point. These decreases, in part, resulted from the increased importance of processed meat products, for which the ratio of farm value to retail cost is lower than for fresh cuts. (Denis Dunham (202) 447-8801)

National Food Review Rounds Out the Picture

If you want to know more about what's happening in the U.S. food system—beyond production and the marketing bill—the *National Food Review* is the place to look. This information-packed publication brings together the latest developments in USDA policy and research on nutrition, food safety and quality, and food assistance.

Each issue is filled with up-to-date information on food marketing, consumers' opinions and habits, USDA actions, and food legislation. Check out the latest research on the availability, consumption, and price of food. And discover the important role American families—their size, composition, income, health, attitudes, and lifestyles—play in the food marketing system.

The *National Food Review* is issued quarterly at an annual subscription price of just \$5.50 (\$6.90 foreign). To receive a complimentary copy, send your name and address to *National Food Review*, AO-2, HSCS Information, Room 505-GIII Building, 500 12th Street, S.W., Washington, D.C. 20250.

To subscribe, make checks payable to Superintendent of Documents, and mail with your name and address to Superintendent of Documents, *National Food Review* Mailing List, Government Printing Office, Washington, D.C. 20402.

Biological Control Survey Finds Alfalfa Weevil Parasites

Tiny wasps—parasites of the alfalfa weevil—have been found over much of the East and Midwest in a survey that is the first step in a major biological control effort by the USDA.

The parasites were released over several years in selected areas of Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, Pennsylvania, Virginia, West Virginia, and Wisconsin, and "big hunters" from USDA's Animal and Plant Health Inspection Service have spent the summer combing alfalfa fields in these States looking for them.

"We've been looking principally for two species of parasites of the weevil," said USDA field coordinator Thomas Burger. "We know that they and other parasite species are saving farmers in the Northeastern States over \$7 million a year in alfalfa weevil control costs, but there's never been a systematic survey to find out if they're on the job in other areas as well."

The weevil damages alfalfa—the nation's leading hay crop and essential for successful dairy farming—by feeding on the plant's tips, leaves, and buds, causing an estimated \$250 million damage per year. It was first found in the United States in 1904 in Utah. It showed up in New Jersey in the 1950's and has since spread throughout most of the U.S. alfalfa-growing areas.

The current survey is being made in preparation for mass release of the weevil parasites. It is part of a stepped-up biological control effort to develop and implement environmentally sound pest-control methods (involving parasites, predators, pathogens (diseases), and other biological methods.

"The parasites help control the weevil by laying their eggs in weevil larvae or other life stages," said Burger. "The young parasites feed on internal organs of the weevil, killing it."



Transportation

Transportation of grain and soybeans was brisk and generally exceeded year-ago levels during June through August. July railcar loadings were the highest in 2 years, and barge loadings set a record. Transportation and port capacity appear adequate for the fall harvest season, as a decline in expected production of several major export crops has eased the prospective demand for transportation and storage services.

Barge Loadings Set Record

Weekly barge loadings of grain and soybeans averaged 42.7 and 47.6 million bushels during June and July, respectively. August shipments have stayed high, with a 3-week average of 44.8 million bushels. Increased corn and wheat shipments caused July's record-setting total, which was 27.6 percent above a year earlier. Average weekly shipments in June, July, and August have exceeded year-earlier levels by 18, 22, and 32 percent, respectively.

Demand for barge service continues strong, and spot rates are rising. In late August, barge freight on the mid-Mississippi River traded at 335 percent of tariff, up from 315 percent in early August.

Temporary problems have accompanied the increase in barge activity. Low water levels on some sections of the Mississippi periodically restricted loads, but recent rains eased the problem.

Congestion at Lock and Dam #26 on the Mississippi has increased, partly because of lock maintenance work but also because of expanded traffic. On August 15, barges were experiencing delays of up to 3 days. Also, a rapid northwestern wheat harvest caused a surge in demand for barges on the Columbia-Snake River system.

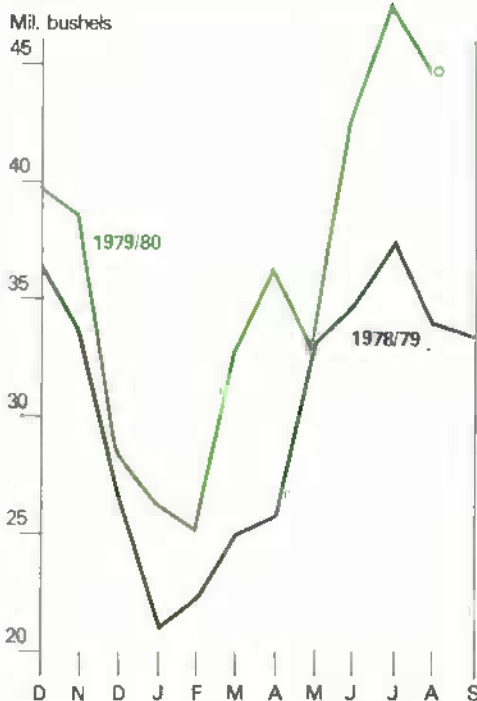
Although high demand for service has strained barge capacity in some regions, available service appears adequate to handle the fall harvest. The industry added, 1,000 barges in 1979 and is expanding capacity at about the same rate this year.

More Railcars Loaded

Rail transportation of grain and soybeans in July averaged 33,164 carloadings weekly, the highest since the 1977/78 marketing year. However, activity in June and July combined only matched year-earlier levels.

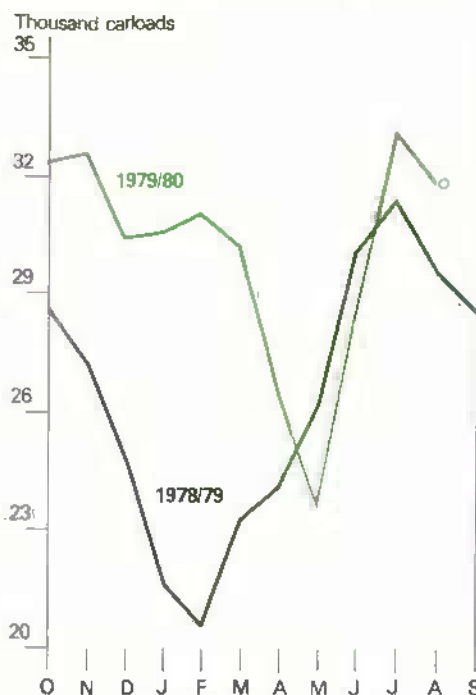
Weekly carloadings in July were 6 percent greater than last July, but weekly loadings in June, which averaged 28,333, were 6 percent less than last June. August carloadings have continued strong, with a 3-week average of 31,963.

Barge Loadings Dip Some in August



Average weekly loadings of grain and soybeans.
 ◯ August 1980 value is for first 3 weeks average.

Railcar Loadings Remain Strong



Average weekly railcar loadings of grain
 ◯ August value is first 3 weeks average.

During the past 2 months, spot shortages were reported in the West, and several export elevators experienced car congestion. The shortages in the Western rail territory resulted from the record winter wheat harvest. In contrast, a car surplus was reported in the East.

As of mid-August, some cars were embargoed from export elevators at two Gulf facilities and one Portland facility. During July, at least partial embargoes were placed on several export elevators at Gulf, North Pacific, and South Atlantic ports.

Total carloadings in June through September will probably exceed last year's figure for several reasons. First, the amount of grain and soybeans exported to Mexico increased about 50 percent from a year ago, averaging about 2,000 cars (both box and covered-hopper) weekly so far this year.

Second, corn owned by the Commodity Credit Corporation (CCC) has been relocated. Between May 28 and August 12, about 72 million bushels were relocated, mostly by rail. This total is the equivalent of about 20,639 covered-hopper cars—1,876 cars per week.

Third, domestic movement of grains in the farmer-owned reserve appears to have increased. Sorghum reached the call price in mid-to-late July, and corn and wheat reached the release price in mid-July.

More Covered-Hopper Cars

The number of covered-hopper cars has increased by 55,100, or 24 percent, in the last 3-1/2 years. In contrast, the number of 40-foot narrow-door boxcars declined by 59,800, or 56 percent. Private ownership of the covered-hopper cars increased by 38,900, or 55 percent, and railroad ownership rose by 16,200, or 10 percent.

Some branch lines will not support the weight of filled large covered-hopper cars, and thus a switch from boxcars is not possible unless lines are upgraded or small covered-hopper cars are used. However, the small covered-hopper car does not yield the advantages of the large hopper car.

Because of the great increase in the number of covered-hopper cars, shippers on lines that can carry them would appear to be better off than shippers who must rely on boxcars.

Total railcar capacity rose because the decline in boxcar capacity was more than offset by the rise in large covered-hopper cars.

Rail Rates Increase

In early July, the Interstate Commerce Commission (ICC) approved a railroad industry request to increase rates, effective July 12 for the southern and western territories and September 1 for the eastern. The increase averages 6.06 percent nationally: 7.6 percent in the East and West, and 3.8 percent in the South.

However, the ICC limited increases for 15 commodities, including wheat, barley, potash fertilizer, phosphate rock, wheat milling products, sugar, and commercial fats and oil. Maximum increases allowed on these commodities are 5.47 percent in the East, 3.71 percent in the South, 6.48 in the West, 4.47 percent between the East and South, 6.12 percent between the East and West, and 5.26 percent between the West and South.

Burlington Northern Changes Export Tariffs to the Northwest

On August 2, the Burlington Northern (BN) instituted unit train rates for export feed grains going to the Pacific Northwest from five Midwestern States—Iowa, Nebraska, South Dakota, Colorado, and Minnesota.

Inventories of Covered-Hopper Cars and Boxcars, January 1, 1977-August 1, 1980

	40-foot boxcars	Covered Hopper cars
	1,000 cars	
1977 a	107.3	230.0
1978 a	86.1	235.8
1979 a	66.0	246.1
1980 a	58.3	268.9
1980 b	47.5	285.1

a-As of January 1. b-As of August 1.

Source: Association of American Railroads.

On August 5, the BN announced another proposal to lower rates, this one for export wheat going to the Pacific Northwest from Montana, North Dakota, Minnesota, and Wyoming. The reduction applies to rates for both single cars and 52-car units. A similar proposal for wheat shippers in Colorado and Nebraska is being prepared. Such rate reductions may generate additional traffic to these ports.

Port Activity

Grain and soybean exports for October 1979-June 1980 totaled 3.8 billion bushels, about three-fourths of the total estimated for the entire 1979/80 fiscal year. About 1.25 billion bushels remain to be shipped by September 30, a monthly average of about 416 million bushels. Monthly exports since October 1979 have averaged about 417 million bushels, so port capacity appears more than adequate to handle the remaining volume.

Although grain and soybean exports during 1979/80 have exceeded year-earlier levels by about 778 million bushels, not all ports have enjoyed an equal share of this increase. Last season, approximately 4.2 billion bushels were exported from four major ports: the Gulf, with a market share of 61 percent; Pacific, with 15 percent; Atlantic, with 13 percent; and Lake, with 11 percent. This season, volume for the Gulf, Pacific, and Atlantic ports increased in absolute terms, and Gulf and Pacific ports also experienced a relative gain. But Atlantic ports experienced a relative loss, while Lake ports declined in both relative and absolute terms.

As of June 30, export volume for the Gulf, Pacific, and Atlantic ports had increased by 26, 38, and 11 percent, respectively. Volume for the Lake ports dropped 2 percent. Relative market shares for each port as of the same date were Gulf, 62 percent; Pacific, 16 percent; Atlantic, 12 percent; and Lake, 9 percent. The remaining 1 percent moved to Mexico by rail. The decline in the Lake ports' volume may be due in part to suspension of sales to the Soviet Union.

Recent ICC Actions

The Interstate Commerce Commission (ICC) recently authorized railroads to substitute open cars and small covered-hopper cars for boxcars and large covered-hopper cars. This action was taken because the West reported a shortage of the latter two types.

Open-hopper cars may be used through October 31 and small covered-hopper cars through September 30. However, use of the small covered-hopper cars does not apply to tariffs requiring shippers to furnish their own cars or to shipments subject to a 25-car minimum.

In another action, as of August 24 the ICC will stop directing distribution and routing of railcars. The major rule discontinued was that the ICC direct loading and routing of cars located on one railroad but owned by another line. The ICC felt the rule caused excessive movement of empty cars, increased congestion in terminals and yards, and hindered distribution by the railroad industry. The industry will take over distribution.

In a controversial and major policy change, effective October 12, the ICC recently prohibited railroads from collective ratemaking. In the past, ratemaking agreements have given the railroads immunity from antitrust laws. The ICC believes collective rate-making inflates rates. [Linwood Hoffman (202) 447-8487]



World Agriculture and Trade

During the first 10 months of fiscal 1980 (October through July), the value of U.S. farm exports jumped 30 percent from a year earlier to \$34 billion. The export value likely will hit \$40 billion this year, \$8 billion more than in fiscal 1979.

This figure has been revised upward from May's estimate of \$38 billion because of the continued record pace of grain, soybean, and cotton shipments throughout the third quarter and because price strength in these commodities is now expected to continue through year's end. Export volume is estimated up 19 percent, with export price increases adding another 6 percent to the total value. The agricultural trade surplus will widen 40 percent from last year to over \$22 billion.

With slightly larger volume and higher prices expected during fiscal 1981, the value of exports could range from \$40 to \$45 billion. With imports of \$17 to \$19 billion, the agricultural trade surplus will almost certainly approach \$25 billion in fiscal 1981.

U.S. Agricultural Exports

	October-June		October-September	
	1978/79	1979/80	1978/79	1979/80 ¹
billion dollars				
Grains and preparations	8.4	12.5	12.6	17.1
Oilseeds and products	7.0	7.9	8.6	9.4
Cotton ²	1.5	2.5	1.8	3.2
Fruits, nuts, and vegetables ³	1.7	2.3	2.2	2.9
Tobacco	1.1	1.1	1.3	1.3
Feeds and fodders . . . . .	.6	.8	.8	1.0
Other vegetable products . . . . .	.7	.9	1.0	1.1
Animals and animal products	2.8	2.9	3.6	3.9
Total	23.8	31.0	32.0	40.0
million metric tons				
Wheat and flour	21.5	25.8	32.2	37.8
Rice	1.9	2.2	2.4	2.7
Feed grains	41.9	53.9	59.5	70.9
Soybean cake and meal	4.8	5.8	6.0	7.0
Soybeans	17.1	19.8	20.2	23.5
Soybean oil . . . . .	.8	1.0	1.1	1.2
Other vegetable oils . . . . .	.4	.4	.5	.5
Sunflower seed	1.3	1.4	1.3	1.6
Cotton ²	1.1	1.7	1.4	2.1
Tobacco . . . . .	.2	.2	.3	.3
Meats and products . . . . .	.3	.3	.4	.4
Animal fats and greases	1.0	1.2	1.3	1.5
Poultry meat . . . . .	.2	.2	.2	.3
Fresh fruits	1.0	1.1	1.3	1.4
Fresh vegetables . . . . .	.6	.6	.8	.7
Feeds and fodders	2.1	2.8	3.0	3.8
Other	4.2	5.5	5.7	7.0
Total	100.4	123.9	137.5	162.4

¹ Forecast. ² Including linters. ³ Including pulses.

FISCAL 1981 EXPORTS:

More Growth in Store

Fiscal 1981 export volume may be marginally above this year's 162 million tons. Feed grain shipments are expected to about equal this year's 71 million tons, and wheat shipments could increase nearly 2 million tons to over 39 million. Small gains are forecast for rice and tobacco, while exports of soybeans, cotton, and vegetable oils may decline.

Although it is still too early to forecast fiscal 1981 exports precisely, a number of factors are critical in this assessment:

- Weather developments that will heavily influence not only the maturing Northern Hemisphere crops, but Southern Hemisphere crops that have yet to be planted.

- Reduced supplies from most major competing grain exporters.
- Expanding livestock production in U.S. feedstuff markets, requiring increased imports.
- Slow economic growth in most markets, which could limit the growth in demand for U.S. farm products during fiscal 1981.
- Relatively little growth in agricultural production in the lower income developing countries.
- U.S. crops sharply smaller than last year due to drought, and relatively tight export supplies, especially of cotton and feed grains.

Little Change for Feed Grains

U.S. feed grain exports are expected to remain at about 71 million tons in fiscal 1981. World coarse grain trade is expected to total near 1979/80's record volume, estimated at 99 million tons (excluding trade within the European Community). An anticipated decline in Soviet feed grain imports will be offset by larger imports by Canada, China, South Korea, and other areas.

Exportable supplies of the United States' major competitors will be limited early in the year. Canadian exports will be sharply lower because of reduced carryin stocks and small crops, and Argentina's supplies will be tight until harvest next April-May.

U.S. exports of feed grains to the developing countries of East and Southeast Asia are expected to increase significantly as live-stock industries in the region resume strong growth. Exports to China, Canada, and Africa are expected to be up sharply because of disappointing grain harvests.

Eastern Europe will import less feed grains in 1980/81 as larger domestic wheat supplies replace imported feed grains in livestock feed. Feed grain exports to Latin America may decline from this year's level because of larger harvests. After increasing an estimated 28 percent in fiscal 1980, shipments to the developed countries may not increase next year due to good grain harvests, slow expansion in livestock industries, and Japan's use of rice in livestock feed.

Soybean Exports To Decline Slightly

In 1979/80, U.S. soybean exports increased more than 12 percent from the previous year. Record U.S. and world supplies, lower prices, and less competition from Brazil contributed to this gain.

With soybeans and soymeal favored relative to corn for feed in the European Community (EC), U.S. exports to the EC jumped sharply. Eastern Europe's rapeseed production declined, causing a 37-percent increase in imports of U.S. soybeans. In addition, U.S. shipments to China are expected to increase dramatically from last year's 142,000 metric tons.

For 1980/81, U.S. soybean exports may decline slightly. Brazil is expected to begin exporting soymeal heavily, and U.S. exports could decline in the face of this competition. Also, demand for U.S. exports may fall because of higher prices, slower live-stock expansion, and slower world economic growth.

U.S. sunflower seed exports for 1979/80 are estimated at 1 million metric tons, 34 percent above last year. Mexico is a major market for U.S. sunflower seed. Although U.S. production will be somewhat reduced in 1980/81, sunflower seed exports are expected to rise slightly.

Vegetable oil exports increased almost 5 percent in 1979/80. Soybean oil exports rose marginally, while exports of sunflower oil more than doubled. In fiscal 1981, vegetable oil and sunflower oil are expected to offset smaller soybean oil exports. Shipments to the USSR, Brazil, and Iran will be sharply reduced compared with fiscal 1980.

Wheat Exports Forecast Up Moderately

Following a large increase in 1979/80, world wheat trade is expected to rise only slightly in 1980/81 to about 87 million metric tons. The production declines anticipated for major exporters—Australia, Canada, and Argentina—coupled with improved harvests in Europe and the USSR account for the slow growth in trade.

U.S. wheat exports are expected to rise only moderately in fiscal 1981—from 37.7 to about 39 million metric tons. They rose sharply in fiscal 1980 because of poor European harvests and the emergence of China as a major market. China's imports of U.S. wheat are expected to increase further in 1980/81, partly due to a drop in production there. Exports to the rest of Asia will probably not show much growth, with some increases to Korea and Taiwan.

Despite projections of a record crop, the EC is expected to continue importing U.S. wheat at the fiscal 1980 level because of the need for high-quality wheats in blending. U.S. exports to Eastern Europe and other West European countries are expected to decline. In accordance with provisions of the U.S.-USSR grain agreement, the Soviet Union is expected to import about 3 million metric tons.

Shipments to North Africa should grow, led by increases to Egypt; however, U.S. wheat exports to the rest of Africa may fall. Latin American imports are expected to remain level.

Increase in Rice Exports Likely

U.S. exports of milled rice in fiscal 1981 are expected to increase 3 to 5 percent from the record level achieved in fiscal 1980. With a slight increase forecast for per-unit values, the total value of rice exports could surpass \$1 billion. Strong demand is anticipated to continue in South Korea and West Africa. In addition, a resurgence of demand in the Middle East is expected.

Exports to the EC were well below trend during 1980, principally due to Italy's large 1979 rice crop and the impact of the EC's export restrictions. Growth in these markets during 1981 will be modest, as continued weak Italian demand will be only slightly offset by increases elsewhere. U.S. exports to Indonesia will be adversely affected by lower movement of U.S. rice under concessional (P.L. 480) terms.

Cotton Exports To Fall from 1980 High

U.S. cotton exports are estimated to total 9.2 million 480-lb. bales by the end of fiscal 1980—nearly 50 percent above fiscal 1979 and the largest since 1926/27. The big jump this year was due mainly to the low level of foreign stocks on August 1, 1979, record foreign consumption, and China's record imports of cotton. U.S. exports rose substantially to most major regions—especially China, Western Europe, and Southeast and East Asia.

During fiscal 1981, U.S. cotton exports are forecast to drop more than a fourth in volume to around 6.3 million bales. However, this level is still 17 percent above the 1975-79 average. The current economic slowdown is limiting demand for cotton textiles in the United States and the EC-9, in turn dampening cotton mill consumption by the major textile exporters in Asia. U.S. export supplies will be severely limited due to the weather-reduced 1980 crop.

Exports to China will remain large, although below last year's record. Exports to Japan and Southeast and East Asia are forecast to drop substantially.

Tobacco Export Value To Gain Substantially

U.S. tobacco exports in fiscal 1980 are estimated to fall about 4 percent in volume, mainly due to a decline to the EC resulting from adequate stocks and stagnant use. Higher prices, however, should keep total export value about equal to the previous year.

The volume of leaf-tobacco exports is anticipated to increase only marginally during 1981, although higher export prices could push the total value up 10 percent. The 1980 flue-cured crop is forecast up 17 percent from last year, although dry weather in early August caused some quality deterioration.

Factors affecting the demand for U.S. leaf in fiscal 1981 are: a slowdown in world cigarette output during 1979 and early 1980 and the lifting of trade sanctions against Zimbabwe (formerly Rhodesia).

Large Exports of Livestock and Products Expected

U.S. exports of livestock and products in fiscal 1980 will about equal last year's \$3.2 billion. Hide and skin exports declined sharply; however, exports of meats, poultry, and animal fats showed substantial gains—offsetting the decline in hides and skins.

In fiscal 1981, the export volume of hides and skins is projected to rise due to greater world demand and increased U.S. supplies. Beef exports may expand 10 to 15 percent as more high-quality beef moves into the EC. Higher unit values should account for a sizable increase in the total value of furskin exports. The value of tallow exports is also expected to advance.

Exports of eggs, chicks, and poultry meat are projected to expand due to continued strong foreign demand. Dairy product exports are expected to rise slightly in value and volume. (*World Analysis Branch (202) 447-9160*)

U.S. POSITION IN WORLD AGRICULTURAL TRADE:

Past, Present, and Future

World agricultural trade has grown substantially in the past decade, with the value of agricultural exports climbing from \$51.6 billion in 1970 to \$169.2 billion in 1978.

During this period, U.S. agricultural exports quadrupled in value from \$7.4 to \$30.8 billion. With the value of its exports rising more rapidly than the world total, the United States' share of world agricultural export trade increased from 14.3 percent in 1970 to 18.2 percent in 1978.

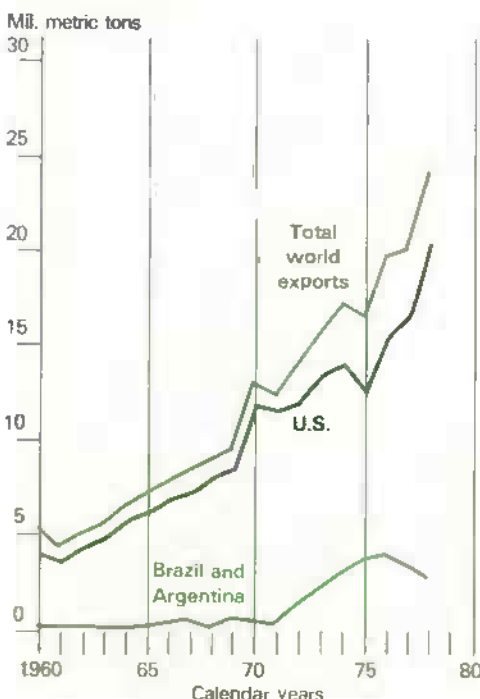
Over the past 20 years, the United States has been particularly successful in five major world markets: soybeans, feed grains, wheat, cotton, and rice. Together, these commodities accounted for 66 percent of all U.S. farm exports in 1978. The United States' ability to expand exports of these items in the future will hinge largely on the growth in foreign demand, availability of U.S. supplies, and U.S. competitiveness in foreign markets.

Soybeans

World trade in soybeans and soybean products has changed radically in the past 20 years, growing fourfold during the period. The U.S. share of world soybean trade averaged about 90 percent in the late sixties and early seventies, with the remainder of the market divided between Brazil and China.

Although China has ceased to be a significant soybean exporter, Brazil, Argentina, and Paraguay have expanded production and exports of soybeans during the 1970's. As a result, the U.S. share of world soybean exports has averaged about 80 percent since 1975.

Despite Competition, U.S. Soybean Exports Keep Climbing



South American exporters have been especially successful in soybean product markets, causing the U.S. share of world meal and soyoil exports to fall to 41 and 35 percent, respectively, in 1978—down from a 72-percent share of both markets a decade earlier.

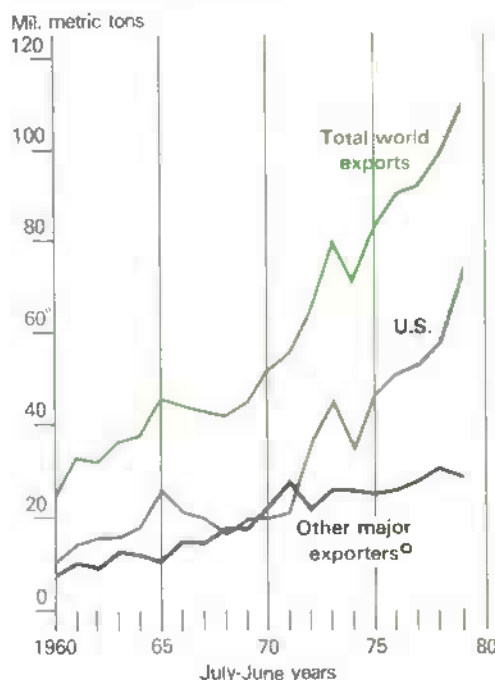
The nine European Community (EC) members and Japan rapidly expanded their soybean purchases in the 1970's due to the absence of soybean import restrictions, high prices for alternative feed concentrates, and rising consumer demand for livestock products. By 1978, the EC and Japan accounted for 59 and 18 percent, respectively, of world soybean imports.

The U.S. share of future world soybean exports will depend on four major factors:

- **Area expansion:** If foreign soybean producers—particularly Brazil, Argentina, and Paraguay—can substantially expand the area planted to soybeans, the U.S. share of world exports may be further eroded. Area expansion in the United States is possible, but much of it would likely come at the expense of corn or cotton output. Both of these competing crops are also in high demand in world markets.
- **Exchange rates:** The volume of soybean exports partly depends on exchange rates for the U.S. dollar and currencies of other exporters relative to the currencies of major importers.
- **Expansion of trade in other oilseeds:** Improved varieties and increased supplies of other oilseed and protein meals could substitute for soybean meal in livestock feeds.
- **Change in trade policies:** The major soybean importers—the EC and Japan—currently have no significant restrictions on soybean imports. Adoption of restrictive trade policies by these importers would have a great impact on the world soybean market.

In the future, the United States will likely remain the largest soybean exporter; however, U.S. soybean meal and soyoil exports can expect stiff competition from South American suppliers.

U.S. Feed Grain Exports Soar



Includes Argentina, South Africa, Thailand, Canada, France, and Australia.

Coarse Grains

Corn, barley, and grain sorghum are the major coarse grains traded internationally. In 1979, corn accounted for about 70 percent of the total coarse grain trade, followed by barley at 16 percent and grain sorghum at 12 percent.

In the early seventies, high prices stimulated an expansion in the U.S. coarse grain area—particularly for corn. Many of the other coarse grain exporters—South Africa, Thailand, France, and Australia—lacked additional area for expansion, while Argentina was constrained by inadequate transportation and port systems. Canada suffered from limitations in both its crop area and marketing system.

Therefore, the United States was able to increase its share of the world coarse grain market from 45 percent in 1960 to 67 percent in 1979. During this same time, the combined share of major competitors fell from 33 to 26 percent.

The volume of international trade in coarse grains has grown rapidly in the past 8 years, and the United States has been able to capture most of the increase. Rising incomes in Japan, Western Europe, and middle-income developing countries plus Soviet and Eastern European policies to increase meat consumption have greatly increased the demand for livestock products, for which coarse grains are a major input.

The volume of future world coarse grain trade and the U.S. share of that trade in the 1980's are likely to hinge on four factors:

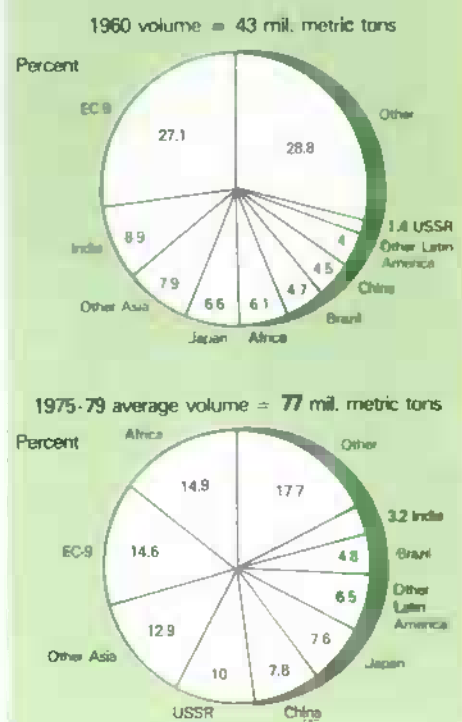
- The ability of the United States to achieve management and technological improvements to increase yields.
- The ability of Argentina to improve its transportation and port facilities, and Thailand's increased use of fertilizer and other inputs to raise yields.
- The Soviet Union's future grain production and import policies.
- The rate of increase in real incomes—particularly in centrally planned and middle-income developing countries.

Wheat

The market shares of the world's five major wheat exporters have changed very little over the past 20 years, as export gains for each country have tended to keep pace with expansion of the market. The United States is the world's largest wheat exporter with 41 percent of the market during 1975-79, followed by Canada (18 percent), Australia (12 percent), France (11 percent), and Argentina (5 percent).

The major changes in world wheat trade have occurred on the import side. The EC and India have followed policies to increase wheat production, and consequently, their import shares have fallen from 27 and 9 percent, respectively, in 1960 to 15 and 13 percent in 1975-79.

Shifts in the World Wheat Import Market



On the other hand, the Soviet Union and Africa (particularly Egypt) have increased their share of imports from 1 and 2 percent, respectively, in 1960 to 10 and 6 percent in 1975-79. The Soviet share rose due to a policy shift emphasizing increased grain imports, while the African increase stems from increases in population and real incomes. The shares of two other major wheat importers—Japan (8 percent) and Brazil (5 percent)—have changed little in the past 20 years.

The U.S. share of the world wheat market is affected by many of the same factors influencing the U.S. position in the world coarse grain market—with two significant differences.

First, wheat consumption responds less to changes in income and prices than coarse grain use. Second, wheat production, pricing, and trade are subject to more policy restrictions around the world than are coarse grains. Because of these differences, larger price changes are required to bring about an adjustment in quantities due to shifts in supply or demand.

Two factors are likely to be important in determining the shape of the world wheat market in the eighties:

- Developing countries, particularly in Africa, may become relatively more important purchasers of wheat on the world market as population expands.
- The ability of Argentina, Australia, and Canada to increase their transportation and port storage capacity.

Rice

No single country dominates the world rice market either in exports or imports. In part, this reflects the differences in taste, texture, and cooking characteristics of rice produced. Production of certain rice varieties is country specific; therefore, certain exporters can capture particular import markets based on consumer preferences.

In the most recent 5-year period (1975-79), the United States and Thailand were the world's largest rice exporters, each holding 21 percent of the market. More than 50 percent of U.S. rice exports were on a concessional basis as part of the P.L. 480 program. Other major rice exporters are China, Pakistan, Burma, and Japan with 11, 9, 5, and 2 percent of the world market, respectively.

Imports are widely dispersed throughout the world. During 1975-1979, Asia accounted for 42 percent of all rice imports, Africa 15 percent, Western Europe 11 percent, Latin America 4 percent, and Eastern Europe 2 percent.

The future structure of the world rice market will depend in part on the following:

- Thailand's ability to continue expanding its production. Production gains in the past have been largely the result of expanded acreage; future gains will depend more on improving yields, a function of capital investment and technological development.

- Indonesia's ability to increase rice production. Past Indonesian policies have been consumer-oriented. A move toward a more producer-oriented rice policy would stimulate domestic rice production and reduce import requirements.
- The continued expansion of quality rice markets in the Middle East.
- P.L. 480 rice exports.

Cotton

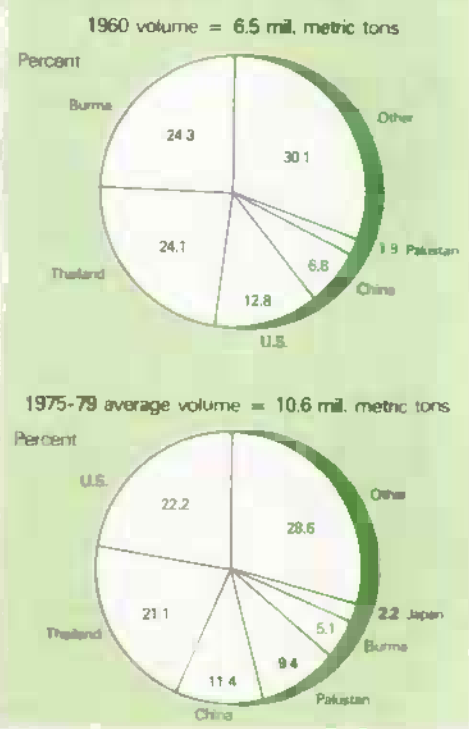
Eight nations account for about three-fourths of the world's cotton exports. These nations, ranked by their average share of the market from 1975-1979, are: the United States, with 28 percent; the Soviet Union, 21 percent; Turkey, 6 percent; Egypt, Mexico, and Sudan, 4 percent each; Guatemala, 3 percent; and Pakistan, 2 percent.

Since 1960, these eight nations' total share of the world cotton market has been fairly constant, although the rankings have changed slightly. The shares of the United States, Mexico, and Egypt have declined, whereas those of the Soviet Union, Turkey, and the Sudan have increased. Total world cotton exports in 1979 were only about 22 percent above the 1960 level, indicating a slow rate of market growth.

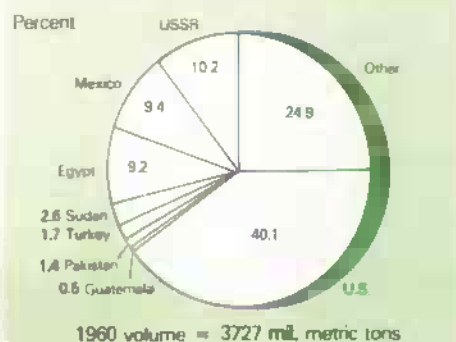
Eight nations account for about three-fifths of the world's cotton imports. Ranked by their average share of imports during 1975-1979, these countries are: Japan, 17 percent; China, 9 percent; South Korea, 6 percent; Taiwan, Hong Kong, France, and Italy, 5 percent each; and West Germany, 4 percent.

Since the 1960's, the market shares of Asian nations (China, South Korea, Taiwan, and Hong Kong) have increased as more cotton imports were needed to supply growing textile industries. The shares of European countries (France, Italy, and Germany), meanwhile, have declined due to more dependence on synthetics.

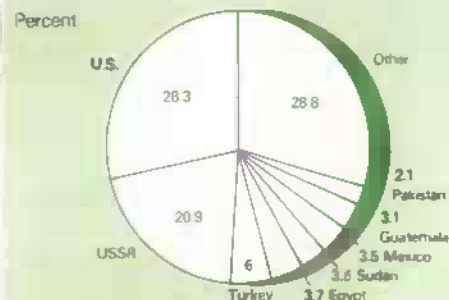
U.S. Expands Share of World Rice Exports



U.S. Share of World Cotton Exports Declines



1975-79 average volume = 4245 mil. metric tons



The future position of the United States in the world cotton market will depend on variables in three key areas:

- **U.S. export supply.** At current prices, the United States will maintain large quantities of cotton for export.
- **Exports of competitors.** Increased food demand from growing populations in Mexico and Egypt could cause land to be shifted from cotton to food crops. The USSR, however, will remain a strong competitor, given its plans for increased cotton production and the importance of cotton exports as a source of foreign exchange.
- **Foreign demand.** Increasing incomes and populations—particularly in China, Brazil, and Egypt—may result in higher domestic demand for cotton textiles.
- **Synthetic fibers.** The price ratio between cotton and synthetic fibers is currently trending in a direction that would benefit cotton.

Prospects are for increased world cotton trade in the next few years, with the United States likely to maintain or expand its export share.

Conclusion

The expansion of U.S. agricultural exports in the 1970's resulted primarily from rapid population growth in the developing countries and substantial increases in real per capita incomes around the world.

The United States was able to respond to this demand and increase its market share because of its greater capacity to increase output with little increase in unit costs relative to the other grain exporters. Also significant was the ability of the U.S. transportation system and port facilities to deliver large quantities of agricultural products to foreign markets.

The United States still appears to have the capacity to increase grain and oil-seed exports in the future with smaller increases in unit costs than many of its competitors. However, U.S. investments in agricultural research in real terms have been lagging for almost a decade, and the rate of gain in productivity has been leveling off.

Some other countries have been substantially increasing investments in research to expand their productivity, which would enable them to reduce import requirements or increase exports. Expansion of U.S. agricultural output in the 1980's will require better management of resources and new technological developments.

The future competitiveness of U.S. agricultural exports will depend on effective marketing and the ability to obtain more favorable tariff treatment and access for U.S. products in importing countries. Yet, of greater significance over the next 10 to 20 years will be the need to develop lower cost production technologies and organizational methods. This will require increased commitments to agricultural research and productivity-increasing investments in land, labor, capital, and energy resources.

The efficiency of the U.S. agricultural sector has been the key to its success in world markets in the past, and maintaining that efficiency in the future will be the most important single element in sustaining the gains already made. (Alan J. Webb (202) 447-8470 and David Young (202) 447-4230)

Heavy Rainfall Interrupts Harvests Abroad

According to a report released September 9 by the Joint Agricultural Weather Facility of the U.S. Departments of Commerce and Agriculture, wet weather continues to be a problem in many parts of the world, threatening crops and interrupting harvests. These are the highlights of the report:

- **USSR.** Wet weather persisted last week in western portions of the winter grain belt and interrupted harvest activity in southern Belorussia. Delays in fall sowing there are becoming serious. Above-normal rains fell on spring grain harvest areas in northeastern European USSR and across the northern New Lands. Some light frost occurred at midweek.
- **Europe.** With generally fair weather moving in, wetness in some areas from the previous week tapered off, leaving favorable conditions for late harvesting of small grains across the north.
- **China.** Above-normal rainfall continued in a broad band just north of the Yangtze River, prolonging the potential for substantial losses to the nearly mature cotton and rice crops. Areas south of the river dried out after last week's heavy rains.
- **South Asia.** Monsoon activity produced near-normal weekly rainfall totals in much of India's northern region, where autumn rice is approaching maturity.
- **Canada.** Wet weather delayed harvest activities in the wheat areas of eastern Saskatchewan and Manitoba.
- **Australia.** Wheat growing areas continued dry last week, and rains are needed to carry the wheat crop through the vegetative phase in the key growing areas of West Australia, New South Wales, and Queensland. Some crop deterioration has occurred in Queensland.



Agricultural Policy

NEW FEDERAL CROP INSURANCE PROGRAM IN THE OFFING

A House-Senate conference committee has agreed on expanding crop insurance for farmers. An expanded all-risk crop insurance program, if enacted, would take effect with the 1981 crop year.

Provisions of the New Program

- Insurance will be sold through private insurance agents with funding provided by the Commodity Credit Corporation (CCC).
- A farmer will be able to select varying amounts of protection for crop losses. Premiums will be based on the amount of coverage a farmer selects, the reimbursement rate per commodity unit, and the risk involved in the farm operation.
- The authorized capital stock for the Federal Crop Insurance Corporation (FCIC) will be increased from \$200 million to \$500 million.
- The FCIC will be authorized to conduct pilot programs and report to Congress on risk in livestock, aquaculture, and programs involving fruits, nuts, and vegetables.
- Existing limits on the number of commodities and counties that may be insured by FCIC will be dropped.
- At least 90 percent of the market value of the crop must be covered; 30 percent of premium costs can be federally subsidized on policies covering up to 65 percent of yield.

- For the 1981 crop, farmers could choose among three options: to be eligible for the disaster payments program of the Agricultural Stabilization and Conservation Service (ASCS); to buy new FCIC insurance with subsidy; or to be eligible for ASCS disaster payments and buy FCIC insurance without subsidy.
- FCIC can reinsure private insurance companies to the maximum extent possible and subsidize premiums to producers buying private insurance at the same rate as for federal crop insurance.
- Disaster payments for existing rice, cotton, feed grain, and wheat insurance programs will be extended through 1981, unless an individual has chosen unsubsidized crop insurance.
- The new program is authorized through fiscal 1983.

Present Insurance Programs

The bill would replace four separate and overlapping insurance and disaster-payment programs:

- the low-yield disaster-payment programs of ASCS;
- the subsidized-interest portion of the loan program of the Farmers Home Administration (FmHA);
- the current programs of FCIC; and
- the subsidized interest portion of the loan program of the Small Business Administration (SBA).

Inadequacies and duplications in these programs have been cited in the push for a new, unified approach to crop insurance.

The ASCS low-yield program pays producers of corn, cotton, rice, wheat, sorghum, and barley only when natural disasters reduce yields. Participants pay no insurance premiums but have to join in set-aside programs, whenever in effect, in order to collect disaster payments.

The existing FCIC program is available for only 26 crops (although more than 430 crops are grown commercially in the United States) and is effective on only 8 percent of the Nation's crop acreage. Only about 12 percent of eligible farmers participate in the current program, with no subsidy of premiums. A study by the Actuarial Research Corporation has shown that with a revised, government-subsidized, all-risk program, participation could reach 30 to 40 percent.

The FmHA makes low-interest loans to victims of natural disasters. However, to be eligible a farmer must be unable to find credit elsewhere, so in effect the loans are available only to the poorest credit risks.

The Small Business Administration also lends to producers at preferential rates. Critics contend the SBA program essentially duplicates FmHA assistance.

History of Federal Crop Insurance

The Federal Crop Insurance Act was passed in 1938 after a long period of frequent and severe droughts. The original act focused exclusively on wheat, insuring wheat for all U.S. counties in which it was grown. Insurance for cotton was added 3 years later. Heavy losses occurred during the first 5 years of the program, so it was suspended during 1944-45. But new legislation was passed in time to insure the spring-planted wheat, cotton, and flax crops in 1945. In addition, experimental programs were started for corn and tobacco.

In 1948, Congress again decided to limit the program, reducing it to trial offerings in only 375 counties (as compared with 2,400 in 1947). But, at the same time, the experimental offerings allowed for development of insurance on a much wider variety of crops, and experimental coverage was eventually extended to fruits, nuts, vegetables, raisins, and even forage seeding.

Another provision in the 1948 law allowed FCIC to reinsure private companies willing to offer insurance to producers. Except for the reinsurance of the Puerto Rican Farm Insurance program of 1969-1972, this provision has never been used.

OTHER USDA ACTIONS

CCC Withdraws Purchase Offer

The Commodity Credit Corporation has canceled any future corn purchases made under its January 22 purchase offer. The CCC had been attempting to remove from the market that amount of corn which, because of the suspension of sales to the Soviet Union, did not go to the USSR.

There is now little incentive to sell to the CCC, since a strengthened market has pushed corn prices up. As of June 24, the CCC had purchased 159.7 million bushels under this purchase-offer program.

1981 Wheat Program Announced

For the second straight year, U.S. wheat producers will not need to set aside acreage to be eligible for the farmer-owned reserve, commodity loans, and target price protection extended to producers as a feature of the annual wheat program. They will only have to stay within their normal crop acreage to be eligible for all program benefits in 1981.

The Administration anticipates that Congress will authorize a special reserve loan rate which will give farmers added incentive to use the reserve. The rate is expected to be \$3.30 a bushel or more for the 1981 crop.

Target prices for 1981 will be increased to at least \$3.81, the final level hinging on any increase in short-run production costs. The regular loan price will be at least \$3.00 a bushel. In determining the final loan price, the Administration will give particular consideration to how the special reserve might affect the wheat supply. The reserve and call prices will also be raised from the current levels of \$4.20 and \$5.25, respectively, after the new loan level is announced.

Central to this 1981 farm program is the farmer-owned grain reserve, which lets producers manage the supply of wheat entering the market. (Jim Johnson (202) 447-6620)



Recent Publications

USDA's Economics, Statistics, and Cooperatives Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ESCS Publications, Room 0054-South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

Farm Real Estate Market Developments. CD-85

Cooperative Farm Bargaining and Price Negotiations. CIR-26.

Industrial Development Bond Financing for Farmer Cooperatives. FCRR-18.

The Food Marketing Cost Index: A New Measure for Analyzing Food Price Changes. TB-1633

State Reports

To order publications issued by a State write directly to the address shown. No copies are available from the U.S. Department of Agriculture.

Alaska Agricultural Statistics-1980. Alaska Crop & Livestock Reporting Service, P.O. Box 799, Palmer, Alaska 99645.

1979 California Fruit and Nut Crop Acreage Estimates. California Crop and Livestock Reporting Service, P.O. Box 1258, Sacramento, California 95806.

California Livestock Statistics 1979. California Crop and Livestock Reporting Service, P.O. Box 1258, Sacramento, California 95806.

Exports of Agricultural Commodities Produced in California - Calendar Year 1979. California Crop and Livestock Reporting Service, P.O. Box 1258, Sacramento, California 95806.

1980 Almond Objective Measurement Survey. California Crop and Livestock Reporting Service, P.O. Box 1258, Sacramento, California 95806.

Florida Agricultural Statistics - Livestock Summary 1979. Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida 32803.

Kansas Livestock Statistics 1978 - 1979. Kansas Crop and Livestock Reporting Service, 444 S.E. Quincy, Room 290, Topeka, Kansas 66683.

1979 Texas Cotton Statistics. Texas Crop and Livestock Reporting Service, P.O. Box 70, Austin, Texas 78767.

1979 Texas Vegetable Statistics. Texas Crop and Livestock Reporting Service, P.O. Box 70, Austin, Texas 78767.

1980 Wisconsin Agricultural Statistics. Wisconsin Agriculture Reporting Service, Box 9160, Madison, Wisconsin 53715.

Statistical Indicators

Summary Data

Key-Statistical Indicators of the Food and Fiber Sector

	1979					1980			
	II	III	IV	Annual	I	II p	III	IV Forecast	Annual
Prices received by farmers (1967=100)	245	241	238	241	236	228	251	260	244
Livestock and Products (1967=100)	265	248	251	257	251	234	255	269	252
Crops (1967=100)	222	233	224	223	220	222	248	251	237
Prices paid by farmers,									
prod. items (1967=100)	247	251	257	248	266	269	278	281	273
Prod. items, int., taxes, and wages	259	263	268	261	284	286	294	296	290
Farm income ¹									
Cash receipts (\$ bil.)	130.9	130.6	135.4	131.5	133	132	137-141	144-148	136-142
Livestock (\$ bil.)	68.2	66.9	69.7	68.6	69	63	68-70	71-73	67-71
Crops (\$ bil.)	62.7	63.7	65.7	62.8	64	69	69-71	73-75	68-72
Total gross farm income (\$ bil.) ²	149.1	149.9	154.1	149.6	153	151	152-156	158-162	151-157
Production expenses (\$ bil.)	116.3	119.6	124.2	118.6	127	129	130-134	133-137	128-134
Net farm income (\$ bil.)	32.8	30.3	29.9	31.0	26	22	20-24	22-26	23-25
Net cash income (\$ bil.) ³	37.7	33.7	35.0	35.8	31	29	31-35	36-40	31-33
Market basket									
Retail cost (1967=100)	223.8	224.3	225.3	222.7	229.8	233.7	245	250	239-243
Farm value (1967=100)	236.2	227.3	227.6	231.8	227.5	223.7	244	252	232-240
Spread (1967=100)	216.3	222.5	223.9	217.2	231.2	239.8	245	249	239-243
Farm value/retail cost (%)	40	38	38	39	37	36	38	38	37-38
Retail prices									
Food (1967=100)	234.0	236.8	239.7	234.5	245.3	250.5	258	265	253-256
At home (1967=100)	233.1	234.7	236.7	232.9	241.8	246.6	255	263	250-254
Away-from home (1967=100)	240.7	246.3	251.4	242.9	258.4	264.7	270	277	266-269
Agricultural exports (\$ bil.) ⁴	7.9	8.2	11.0	32.0	10.3	9.7	9.0	—	40.0
Agricultural imports (\$ bil.) ⁴	4.4	3.8	4.4	16.2	4.6	4.3	4.2	—	17.5
Livestock and Products									
Total livestock and Products (1974=100)	106.7	107.5	109.0	106.3	106.6	112.0	108.6	108.1	108.8
Beef (mil. lb.)	5,076	5,222	5,416	21,261	5,244	5,250	5,300	5,425	21,219
Pork (mil. lb.)	3,754	3,775	4,346	15,270	4,124	4,300	3,850	4,225	16,499
Veal (mil. lb.)	98	99	100	410	91	89	80	85	345
Lamb and mutton (mil. lb.)	71	69	73	284	81	77	70	70	298
Red meats (mil. lb.)	8,999	9,165	9,935	37,225	9,540	9,716	9,350	9,805	38,411
Broilers (mil. lb.)	2,844	2,855	2,665	10,915	2,722	2,923	2,750	2,500	10,895
Turkeys (mil. lb.)	465	720	725	2,181	374	523	720	740	2,357
Total meats and poultry (mil. lb.)	12,308	12,740	13,325	50,321	12,636	13,162	12,820	13,045	51,663
Eggs (mil. dz.)	1,434	1,436	1,477	5,769	1,464	1,421	1,420	1,450	5,755
Milk (bil. lb.)	32.8	31.2	29.8	123.6	31.1	34.0	32.0	30.3	127.4
Choice steers, Omaha (\$/cwt.)	72.51	65.88	66.86	67.67	66.85	64.65	70-72	72-75	68-70
Barrows and gilts, 7 markets (\$/cwt.)	43.04	38.52	36.39	42.06	36.31	31.18	43-45	43-45	38-40
Broilers, 9-city wholesale (cts./lb.)	47.7	40.8	41.7	44.4	43.0	41.1	51-53	47-49	45-47
Turkeys, N.Y., wholesale (cts./lb.)	66.2	63.1	73.0	68.1	59.0	54.3	65-67	71-74	62-64
Eggs, Gr. A large, N.Y. (cts./dz.)	66.1	65.2	69.4	68.2	62.1	57.0	68-70	72-75	65-66
Milk, all at farm (\$/cwt.)	11.53	12.00	12.77	12.00	12.77	12.60	12.65-13.05	13.80-14.30	12.95-13.20

¹ Quarterly cash receipts and expenses are seasonally adjusted at annual rates. ² Includes net change in farm inventories. ³ Excludes inventory adjustment and noncash income and expenses. Represents cash available for capital expenditures and operator income. ⁴ Annual data are based on Oct.-Sept. fiscal years ending with the indicated year.

Farm Income

Gross and net farm income

	Annual									
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979 p
	\$ Bil.									
Cash receipts from farm marketings . . .	50.5	52.9	61.2	87.1	92.4	88.2	94.8	95.8	112.5	131.5
Livestock and products	29.6	30.6	35.7	45.9	41.4	43.1	46.1	47.4	59.0	68.6
Meat animals	18.5	19.5	24.0	30.4	25.2	25.8	27.0	27.8	37.5	44.2
Dairy products	6.5	6.8	7.1	8.1	9.4	9.9	11.4	11.8	12.7	14.7
Poultry and eggs	4.2	4.0	4.2	6.9	6.3	6.8	7.2	7.2	8.1	8.9
Other	0.3	0.3	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.8
Crops	21.0	22.3	25.5	41.1	51.1	45.2	48.7	48.3	53.5	62.8
Food grains	2.5	2.5	3.5	7.2	8.5	7.8	6.9	6.0	5.9	8.6
Feed crops	5.1	5.5	5.9	10.6	14.0	12.2	13.1	11.9	11.3	14.4
Cotton (lint and seed)	1.3	1.5	1.8	2.8	2.9	2.3	3.5	3.5	3.5	4.0
Tobacco	1.4	1.3	1.4	1.6	2.1	2.2	2.3	2.3	2.6	2.3
Oil-bearing crops	3.6	3.8	4.4	7.6	10.0	7.3	9.4	9.8	13.2	14.6
Vegetables and melons	2.8	3.0	3.3	4.4	5.3	3.4	5.2	5.7	6.0	6.5
Fruits and tree nuts	2.1	2.3	2.6	3.4	3.4	3.5	3.6	4.3	5.5	6.4
Other	2.2	2.3	2.6	3.6	4.9	4.6	4.6	4.8	5.5	6.0
Net change in farm inventories	(³)	1.4	0.9	3.4	-1.6	3.4	-2.4	.6	.4	4.1
Nonmoney and other farm income ¹ . . .	8.0	7.7	8.9	8.4	7.5	8.7	9.4	11.8	13.9	14.1
Gross farm income	58.6	62.0	71.0	98.9	98.3	100.3	101.8	108.1	126.9	149.6
Farm production expenses	44.4	47.4	52.3	65.6	72.2	75.9	83.1	90.3	100.8	118.6
Net farm income										
Current prices	14.2	14.6	18.7	33.3	26.1	24.5	18.7	17.8	26.1	31.0
1967 Prices ²	12.2	12.1	14.9	25.1	17.7	15.2	11.0	9.8	13.3	14.3

¹ Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ² Deflated by the consumer price index for all items, 1967=100. ³ Less than \$.05 bil. Totals may not add due to rounding p. Preliminary.

Cash receipts from farming

	1979							1980					
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
	\$ Mil.												
Farm marketings and CCC loans ¹ . . .	9,924	9,892	9,793	11,131	15,956	13,746	11,447	12,081	10,063	9,731	9,357	9,311	10,474
Livestock and products	5,452	5,322	5,410	5,413	6,398	5,697	5,131	5,770	5,570	5,576	5,527	5,480	5,383
Meat animals	3,366	3,265	3,347	3,374	4,352	3,604	2,983	3,755	3,631	3,488	3,299	3,268	3,236
Dairy products	1,235	1,221	1,210	1,197	1,222	1,201	1,280	1,301	1,242	1,382	1,387	1,475	1,374
Poultry and eggs	776	766	783	770	755	831	808	664	650	645	769	665	693
Other	74	69	70	72	69	61	59	49	47	61	72	73	80
Crops	4,472	4,570	4,383	5,718	9,559	8,049	6,316	6,311	4,493	4,155	3,830	3,831	5,091
Food grains	913	1,180	831	943	1,109	752	720	659	495	468	458	494	1,244
Feed crops	1,176	1,101	685	923	1,985	2,108	1,754	1,961	1,247	1,137	1,142	1,135	1,383
Cotton (lint and seed)	63	53	147	231	653	887	887	701	358	254	150	144	137
Tobacco	0	185	527	458	230	279	202	265	41	23	18	24	—
Oil-bearing crops	903	620	744	1,250	3,591	1,845	1,051	1,566	1,256	1,001	668	642	843
Vegetables and melons	563	540	651	818	787	474	382	386	311	410	435	511	598
Fruits and tree nuts	544	528	459	621	704	885	670	357	393	366	372	408	559
Other	310	362	340	474	500	820	649	415	392	496	587	473	327
Government payments	37	42	72	84	92	68	67	55	41	25	113	54	30
Total cash receipts ²	9,961	9,934	9,865	11,215	16,048	13,814	11,514	12,136	10,104	9,756	9,470	9,365	10,823

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1979	1980					
	1977	1978	1979p	June	Jan	Feb	Mar	Apr	May	June
	1967=100									
All commodities	123	123	126	114	113	109	81	112	111	125
Livestock and Products	112	115	109	107	92	119	84	116	117	112
Crops	138	135	152	123	142	96	78	106	102	143

Cash receipts¹ from farm marketings, by States, January-June

	Livestock and Products		Crops ²		Total ²	
State	1979	1980	1979	1980	1979	1980
	\$Mil.					
NORTH ATLANTIC						
Maine	154.7	139.4	78.3	67.2	232.9	206.5
New Hampshire	34.1	35.4	12.5	13.2	46.6	48.6
Vermont	150.5	169.3	11.6	12.3	162.1	181.6
Massachusetts	58.2	62.1	55.1	48.1	113.2	110.2
Rhode Island	6.7	7.0	8.2	8.3	14.9	15.3
Connecticut	76.5	79.7	56.8	34.2	133.2	113.9
New York	768.0	826.8	242.9	268.3	1,010.9	1,095.1
New Jersey	57.1	59.3	90.7	90.0	147.8	149.3
Pennsylvania	903.0	916.7	333.6	349.4	1,236.6	1,266.2
NORTH CENTRAL						
Ohio	702.3	682.2	868.5	910.7	1,570.8	1,592.9
Indiana	837.2	766.8	1,006.8	1,047.5	1,844.0	1,814.4
Illinois	1,198.4	1,094.0	2,285.9	2,804.8	3,484.2	3,898.8
Michigan	567.9	590.3	472.0	570.0	1,039.9	1,160.3
Wisconsin	1,750.4	1,835.3	287.4	336.4	2,037.8	2,171.8
Minnesota	1,556.7	1,529.2	1,054.1	1,093.0	2,610.8	2,622.1
Iowa	2,989.7	2,780.1	1,983.0	2,272.6	4,972.6	5,052.7
Missouri	1,231.1	1,130.9	735.3	833.5	1,966.4	1,964.3
North Dakota	364.7	358.0	496.5	604.5	861.1	962.6
South Dakota	873.8	825.5	205.1	290.2	1,078.9	1,115.7
Nebraska	1,979.0	1,876.3	874.9	1,148.0	2,853.9	3,024.3
Kansas	1,767.0	1,636.3	858.0	1,205.7	2,625.0	2,842.0
SOUTHERN						
Delaware	114.9	98.2	29.4	30.2	144.2	128.4
Maryland	283.9	273.3	109.9	117.2	393.8	390.5
Virginia	366.7	368.4	135.2	138.0	501.9	506.4
West Virginia	67.7	74.3	22.6	21.7	90.3	96.1
North Carolina	717.4	675.7	350.5	358.3	1,067.8	1,033.9
South Carolina	197.2	179.3	225.0	250.4	422.2	429.7
Georgia	853.0	775.7	239.1	336.0	1,092.0	1,111.6
Florida	474.4	458.7	2,144.9	1,964.1	2,619.3	2,422.8
Kentucky	430.1	408.2	520.4	599.1	950.4	1,007.4
Tennessee	490.5	491.3	261.3	293.4	751.7	784.7
Alabama	688.5	626.5	179.4	236.2	867.9	862.7
Mississippi	452.8	416.6	312.5	400.6	765.3	817.2
Arkansas	751.3	675.1	441.8	557.7	1,193.0	1,232.8
Louisiana	269.6	321.8	242.3	273.7	511.9	595.4
Oklahoma	1,110.4	1,050.2	407.7	600.3	1,518.1	1,650.5
Texas	3,051.6	2,916.4	1,445.2	1,716.0	4,496.8	4,632.3
WESTERN						
Montana	154.9	148.0	254.5	284.6	409.4	432.6
Idaho	425.7	413.3	281.1	334.2	706.9	747.6
Wyoming	218.5	239.5	22.9	25.3	241.4	264.9
Colorado	1,320.6	1,296.4	238.3	278.0	1,558.8	1,574.5
New Mexico	369.4	353.4	70.3	72.6	439.7	426.0
Arizona	411.8	415.5	436.5	495.2	848.3	910.7
Utah	171.1	186.9	38.0	41.4	209.1	228.3
Nevada	63.1	60.2	22.2	32.4	85.3	92.6
Washington	388.8	393.4	617.3	687.6	1,006.1	1,081.1
Oregon	313.5	297.2	309.9	321.3	623.4	618.5
California	2,169.5	2,250.0	2,699.1	3,040.1	4,868.6	5,290.0
Alaska	2.1	2.2	2.3	2.3	4.5	4.5
Hawaii	39.3	40.8	168.8	168.8	208.1	209.7
UNITED STATES	34,395.2	33,307.1	24,245.2	27,685.0	58,640.4	60,992.1

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Production¹

Item	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980 ²
1967=100										
Farm output	110	110	112	106	114	117	119	122	129	124
All livestock products ³	106	107	105	106	101	105	106	106	110	112
Meat animals	109	109	108	110	102	105	105	104	107	110
Dairy products	101	102	98	99	98	103	105	104	106	109
Poultry and eggs	106	109	106	106	103	110	112	118	127	128
All crops ⁴	112	113	119	110	121	121	129	131	144	131
Feed grains	116	112	115	93	114	120	126	135	145	120
Hay and forage	105	104	109	104	108	102	107	113	117	108
Food grains	107	102	114	120	142	141	132	125	143	156
Sugar crops	116	127	112	104	130	128	116	116	110	111
Cotton	145	187	175	158	112	142	191	145	200	157
Tobacco	86	88	88	101	110	108	98	102	79	91
Oil crops	121	131	155	127	153	132	175	182	219	176
Cropland used for crops	100	98	103	106	108	109	111	108	111	114
Crop production per acre	112	115	116	104	112	111	117	121	130	115

¹ For historical data and indexes, see *Changes in Farm Production and Efficiency* USDA Statistical Bulletin 628. ² Preliminary indexes for 1980 based on August 1980 Crop Production report and other releases of the *Crop Reporting Board*, ESCS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1979		1980				
	1977	1978	1979	Aug.	Mar.	Apr.	May	June	July	Aug. p
1967=100										
Prices Received										
All farm products	183	210	241	238	234	224	227	232	247	256
All crops	192	203	223	236	220	217	223	226	242	248
Food grains	156	191	229	245	245	241	247	243	252	255
Feed grains and hay	181	184	207	220	211	211	219	225	243	258
Feed grains	174	181	204	217	207	204	209	219	239	255
Cotton	270	245	258	263	269	260	265	250	322	311
Tobacco	175	191	207	208	217	217	218	218	217	217
Oil-bearing crops	243	226	249	257	219	209	214	218	245	252
Fruit	163	224	240	282	207	200	215	233	209	207
Fresh market ¹	163	234	250	301	209	201	219	240	212	209
Commercial vegetables	176	185	194	180	193	208	204	194	182	188
Fresh market	197	208	215	194	214	238	231	216	197	206
Potatoes ²	194	202	178	201	188	180	195	216	314	352
Livestock and products	175	217	257	242	247	232	232	237	252	264
Meat animals	168	226	280	260	261	240	242	250	267	281
Dairy products	193	210	239	238	252	252	250	248	250	254
Poultry and eggs	174	185	192	173	178	167	161	166	195	207
Prices paid										
Commodities and services, interest, taxes, and wage rates	202	219	250	251	274	274	275	278	280	284
Production items	200	217	248	249	270	268	268	270	273	278
Feed	186	183	204	211	211	210	214	214	223	238
Feeder livestock	158	221	293	276	291	273	260	267	270	280
Interest payable per acre on farm real estate debt	339	400	501	501	627	627	627	627	627	627
Taxes on farm real estate	195	210	226	226	244	244	244	244	244	244
Wage rates (seasonally adjusted)	226	242	265	266	284	284	284	284	288	288
Production items, interest, taxes, and wage rates	208	227	261	262	287	285	285	287	290	294
Prices received (1910-14=100)	457	524	603	596	584	561	568	579	617	641
Prices paid, etc. (Parity Index) (1910-14=100)	687	746	849	855	933	933	936	944	952	964
Parity ratio ³	66	70	71	70	63	60	61	61	65	66

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. P preliminary.

Prices received by farmers, U.S. average

	Annual *			1979	1980					
	1977	1978	1979	Aug	Mar	Apr	May ¹	June	July	Aug p ²
Crops										
All wheat (\$/bu.)	2.29	2.82	3.51	3.74	3.64	3.58	3.69	3.69	3.81	3.86
Rice, rough (\$/cwt.)	7.94	9.29	9.05	10.00	11.70	11.60	11.30	10.20	10.80	10.70
Corn (\$/bu.)	2.03	2.10	2.36	2.54	2.40	2.36	2.42	2.49	2.73	2.93
Sorghum (\$/cwt.)	3.11	3.43	3.91	4.27	4.05	3.96	4.04	4.58	6.02	5.33
All hay, baled (\$/ton)	57.10	49.90	56.50	57.50	58.70	63.40	70.60	64.60	66.50	68.20
Soybeans (\$/bu.)	6.82	6.28	6.86	7.07	5.94	5.63	5.76	5.91	6.75	6.99
Cotton, Upland (cts./lb.)	60.5	55.2	58.0	59.2	60.7	58.5	59.6	56.3	72.4	69.9
Potatoes (\$/cwt.)	3.78	3.87	3.18	3.76	3.22	3.13	3.54	3.92	6.49	7.55
Dry edible beans (\$/cwt.)	17.55	18.56	19.60	20.80	24.90	22.60	22.90	23.60	25.60	26.60
Apples for fresh use (cts./lb.)	12.0	16.1	14.3	15.6	16.1	16.9	16.9	21.0	23.7	22.6
Pears for fresh use (\$/ton)	145	301	306	258	378	404	452	450	278	254
Oranges, all uses (\$/box) ¹	2.78	4.67	4.69	4.96	3.42	3.09	3.66	3.72	2.87	2.32
Grapefruit, all uses (\$/box) ¹	1.66	2.39	3.52	5.42	2.87	2.95	3.26	1.64	1.58	2.28
Livestock										
Beef cattle (\$/cwt.)	34.40	48.50	66.00	62.20	64.30	60.20	60.60	61.30	63.20	65.10
Calves (\$/cwt.)	36.90	59.10	88.80	87.20	83.20	74.70	74.50	75.90	75.00	77.40
Hogs (\$/cwt.)	39.40	46.60	41.80	36.20	33.40	28.00	28.60	33.10	41.20	46.80
Lambs (\$/cwt.)	51.30	62.70	66.70	61.40	67.30	59.30	59.90	64.50	65.60	65.80
All milk, sold to plants (\$/cwt.)	9.72	10.60	12.00	12.00	12.70	12.70	12.60	12.50	12.60	12.80
Milk, manuf. grade (\$/cwt.)	8.70	9.65	11.10	11.10	11.80	11.80	11.70	11.70	11.60	11.80
Broilers (cts./lb.)	23.6	26.3	25.9	23.0	24.2	22.5	23.6	24.4	31.7	31.6
Eggs (cts./doz.) ³	55.6	52.2	58.3	53.1	55.0	52.1	47.0	48.4	50.7	58.0
Turkeys (cts./lb.)	35.5	43.6	41.1	38.4	35.4	34.1	31.2	32.0	36.9	39.7
Wool (cts./lb.) ³	72.0	74.5	86.3	81.8	91.6	92.9	88.2	90.8	90.3	88.1

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. * Calendar year averages. p Preliminary.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1979			1980					
	1979	July	Dec	Jan.	Feb.	Mar.	Apr.	May	June	July
1967=100										
Consumer price index, all items	217.4	218.9	229.9	233.2	236.4	239.8	242.5	244.9	247.6	247.8
Consumer price index, less food	213.0	214.2	226.4	229.9	233.5	237.1	239.9	242.6	245.6	245.1
All food	234.5	236.9	241.7	243.8	244.9	247.3	249.1	250.4	252.0	254.8
Food away from home	242.9	244.9	253.4	256.1	258.3	260.9	263.0	264.6	266.6	267.8
Food at home	232.9	235.6	238.7	240.6	241.3	243.6	245.3	246.6	248.0	251.6
Meats ¹	241.9	248.0	242.3	244.1	244.1	245.7	242.6	239.2	238.1	243.3
Beef and veal	255.8	266.4	262.2	264.6	266.2	269.1	267.0	264.8	263.8	267.9
Pork	216.4	216.1	205.0	206.4	202.8	202.6	197.1	191.8	190.4	200.3
Poultry	181.5	186.2	176.2	187.8	182.6	180.7	177.2	176.5	177.9	187.9
Fish	302.3	304.3	312.6	316.7	320.4	322.6	325.3	324.5	329.1	330.1
Eggs	172.8	165.8	185.9	178.2	157.2	164.5	161.2	148.4	147.9	154.2
Dairy products ²	207.1	206.3	216.9	218.4	219.5	220.3	222.4	226.2	227.2	228.6
Fats and oils ³	226.3	227.4	233.0	233.9	235.9	236.8	238.3	239.5	240.0	239.3
Fruits and vegetables	230.0	238.1	230.2	229.8	228.3	232.4	240.9	246.6	250.1	253.9
Fresh	235.0	249.4	230.1	227.2	223.1	229.9	245.2	255.1	260.0	265.8
Processed	226.6	227.8	232.3	234.7	236.2	237.2	238.4	239.4	241.4	243.0
Cereals and bakery products	220.1	220.1	231.6	234.2	236.8	238.6	242.0	244.5	245.9	247.8
Sugar and sweets	277.6	279.4	284.6	289.8	297.5	313.5	319.5	326.8	342.0	353.1
Beverages, nonalcoholic	357.8	354.6	375.4	378.5	384.5	387.1	390.3	393.0	395.9	397.4
Apparel commodities less footwear	158.5	155.6	163.0	161.1	161.8	166.2	167.2	166.9	166.4	165.0
Footwear	176.7	176.6	184.3	183.7	184.6	187.0	188.3	189.3	189.0	189.5
Tobacco products	187.9	186.8	192.1	196.7	198.4	198.4	198.8	200.4	203.4	203.8
Beverages, alcoholic	172.4	172.7	178.0	179.3	180.4	181.7	183.9	186.4	186.4	187.2

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1979	1980					
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July
	1967=100									
Finished goods ¹	180.6	194.6	215.9	216.2	235.7	238.5	240.0	241.0	242.6	246.6
Consumer foods	189.1	206.8	226.3	224.9	231.6	233.1	228.7	230.0	231.0	239.5
Fruits and vegetables ²	192.2	216.5	229.0	226.7	220.5	218.3	223.0	243.8	233.4	247.5
Eggs	162.0	158.6	176.5	167.6	150.4	184.2	153.3	145.7	146.8	159.3
Bakery products	186.5	201.3	221.4	219.2	241.5	242.5	243.0	244.5	246.0	247.1
Meats	170.7	209.6	233.8	228.0	231.0	230.5	216.9	218.7	221.0	240.1
Beef and veal	157.5	202.2	252.2	248.1	260.7	260.8	250.7	254.6	257.2	269.0
Pork	190.1	219.1	205.0	191.9	185.5	181.8	162.1	163.7	169.5	199.8
Poultry	173.3	194.0	188.6	179.7	179.5	174.7	165.7	165.8	165.3	215.5
Fish	294.3	313.0	383.8	400.1	394.1	400.7	386.1	355.2	354.9	364.3
Dairy products	173.4	188.4	211.2	209.0	221.2	223.3	227.8	228.9	229.9	230.5
Processed fruits and vegetables	187.3	202.6	221.9	223.6	223.1	223.6	224.5	225.2	227.3	229.5
Refined sugar ³	n.a.	108.3	116.3	113.7	178.1	176.6	166.1	221.5	227.3	212.9
Vegetable oil and products	198.6	209.4	223.7	225.1	229.2	232.6	229.9	228.6	229.2	232.7
Consumer finished goods less foods	172.1	183.7	208.1	208.9	237.8	242.0	245.5	246.8	248.8	251.4
Beverages, alcoholic	139.7	148.2	161.3	161.9	170.0	170.6	171.5	172.5	173.2	173.6
Beverages, nonalcoholic	198.1	211.6	227.7	228.0	244.5	247.1	250.4	259.0	259.3	264.1
Apparel	147.3	152.4	160.3	160.3	167.3	168.3	169.1	169.7	172.0	174.1
Footwear	168.7	183.0	217.8	221.8	228.1	231.8	231.9	231.9	232.1	232.9
Tobacco products	179.8	198.5	217.7	214.8	236.9	237.1	237.6	244.6	245.1	247.6
Intermediate materials ⁴	201.7	215.5	242.7	244.6	271.6	273.2	274.5	275.8	277.7	280.3
Materials for food manufacturing	181.7	202.3	223.5	226.7	245.6	240.1	238.7	255.4	260.2	262.6
Flour	118.9	141.6	172.1	189.3	188.1	183.0	176.9	183.5	182.6	188.0
Refined sugar ⁵	n.a.	109.3	119.3	118.3	182.2	166.3	169.7	212.1	222.0	205.3
Crude vegetable oils	197.5	219.2	243.7	264.4	206.3	195.5	180.7	177.5	179.9	193.3
Crude materials ⁶	214.4	240.1	282.2	287.1	308.4	303.5	296.9	300.7	299.5	316.3
Foodstuffs and feedstuffs	190.9	215.3	247.1	254.1	252.6	245.9	235.5	242.9	242.5	263.3
Fruits and vegetables ²	192.2	216.5	229.0	226.7	220.5	218.3	223.0	243.8	233.4	247.5
Grains	165.0	182.5	214.8	247.4	223.3	217.9	210.8	219.0	215.3	244.8
Livestock	173.0	220.1	260.3	256.0	257.2	251.8	230.5	233.3	240.0	260.5
Poultry, live	175.4	199.8	194.3	183.8	184.6	180.1	171.9	171.3	166.6	227.2
Fibers, plant and animal	202.3	193.4	209.9	207.6	269.5	254.9	266.9	272.7	247.0	267.0
Milk	202.6	219.7	250.0	247.6	263.8	263.1	265.4	265.4	265.5	265.8
Oilseeds	236.7	224.1	245.5	261.8	227.9	217.6	208.9	215.2	214.0	258.5
Coffee, green	505.1	378.2	416.2	498.7	441.2	463.0	448.9	472.3	469.2	424.2
Tobacco, leaf	176.1	191.5	207.8	199.8	214.8	217.7	218.0	n.a.	218.7	217.7
Sugar, raw cane	149.5	190.2	209.8	208.4	373.9	275.2	319.3	454.9	401.3	380.8
All commodities	194.2	209.3	235.5	236.9	260.2	261.9	262.3	263.7	265.2	269.8
Industrial commodities	195.1	209.4	236.3	237.5	265.9	268.6	270.7	271.2	273.0	275.6
All foods ⁷	186.8	206.5	266.3	225.4	235.7	234.7	231.7	237.4	237.7	245.4
Farm products and processed foods and feeds	188.8	206.6	229.8	232.2	237.0	234.9	229.2	233.9	234.2	246.1
Farm products	192.5	212.5	241.4	246.8	242.3	239.3	228.9	233.6	233.4	253.9
Processed foods and feeds	186.1	202.6	222.5	223.3	233.1	231.6	228.5	233.1	233.8	241.1
Cereal and bakery products	173.2	190.3	210.2	212.4	229.9	231.8	231.5	233.5	233.1	234.6
Sugar and confectionery	177.5	197.8	214.7	215.7	287.5	264.1	274.8	327.4	324.7	313.7
Beverages	200.9	200.0	210.8	214.1	224.8	225.9	227.9	231.4	233.6	234.4
Wholesale spot prices, 9 foodstuffs	208.2	239.1	255.6	259.3	257.2	245.0	235.0	244.4	250.0	270.0

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100 ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for the first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1979p	1980p					
	1977	1978	1979p	July	Feb.	Mar.	Apr.	May	June	July
Market basket¹ :										
Retail cost (1967=100)	179.2	199.4	222.7	225.9	229.1	231.2	232.7	233.6	234.8	238.5
Farm value (1967=100)	178.3	205.6	228.2	226.5	225.3	224.4	224.1	225.4	231.1	245.7
Farm-retail spread (1967=100)	179.7	195.7	219.5	225.5	231.2	235.2	237.7	238.4	236.9	234.3
Farm value/retail cost (%)	36.8	38.2	37.9	37.1	36.4	35.9	35.6	33.7	36.4	38.1
Meat Products:²										
Retail cost (1967=100)	174.3	206.8	241.9	248.0	244.1	245.7	242.6	239.2	238.1	243.3
Farm value (1967=100)	169.8	206.4	234.6	230.4	225.2	225.0	220.3	213.8	217.4	238.9
Farm-retail spread (1967=100)	179.5	207.3	250.4	268.6	262.2	270.0	268.8	268.9	262.3	248.4
Farm value/retail cost (%)	52.6	53.8	52.3	50.1	49.8	49.4	49.0	48.2	49.2	52.5
Dairy products:										
Retail cost (1967=100)	173.3	185.5	207.0	206.3	219.5	220.3	222.4	226.2	227.2	228.6
Farm value (1967=100)	187.2	204.7	233.0	232.8	244.8	245.6	247.5	250.6	256.3	254.4
Farm-retail spread (1967=100)	161.3	168.8	184.4	183.2	197.4	198.3	200.5	205.0	201.8	206.1
Farm value/retail cost (%)	50.3	51.4	52.4	52.4	51.9	51.9	51.8	51.6	52.5	51.8
Poultry:										
Retail cost (1967=100)	158.1	172.9	181.5	186.2	182.6	180.7	177.2	176.5	177.9	187.9
Farm value (1967=100)	178.5	202.1	198.3	189.2	193.3	184.5	172.1	178.4	184.2	236.8
Farm-retail spread (1967=100)	138.4	144.7	165.2	183.3	172.2	177.0	182.2	174.7	171.8	140.6
Farm value/retail cost (%)	55.5	57.5	53.7	50.0	52.1	50.2	47.8	49.7	50.9	62.0
Eggs:										
Retail cost (1967=100)	169.1	157.8	172.8	165.8	157.2	164.5	161.2	148.4	147.9	154.2
Farm value (1967=100)	187.5	178.9	199.2	185.7	164.7	186.6	179.7	151.8	156.0	161.6
Farm-retail spread (1967=100)	142.5	127.3	134.6	137.1	146.4	132.5	134.4	143.4	136.2	143.5
Farm value/retail cost (%)	65.5	67.0	68.1	66.2	61.9	67.1	65.9	60.5	63.3	61.9
Cereal and bakery products:										
Retail cost (1967=100)	183.7	199.9	220.2	220.1	236.8	238.6	242.0	244.5	245.9	247.8
Farm value (1967=100)	138.2	163.9	190.0	203.4	211.9	201.5	199.4	217.7	218.4	221.8
Farm-retail spread (1967=100)	193.2	207.3	226.3	223.6	241.9	246.3	250.8	250.1	251.6	253.2
Farm value/retail cost (%)	12.9	14.1	14.8	15.8	15.4	14.5	14.1	15.3	15.2	15.4
Fresh fruits:										
Retail cost (1967=100)	187.9	230.1	258.5	291.4	238.8	249.2	263.2	270.9	282.9	294.9
Farm value (1967=100)	177.2	237.9	239.6	269.5	206.1	221.4	227.9	233.2	284.0	305.8
Farm-retail spread (1967=100)	192.7	226.6	267.0	301.2	253.5	261.7	279.1	287.8	282.4	290.0
Farm value/retail cost (%)	29.2	32.0	28.7	28.7	26.7	27.5	26.8	26.7	31.1	32.1
Fresh Vegetables:										
Retail costs (1967=100)	200.6	216.2	222.5	222.4	211.2	215.5	234.2	246.2	247.0	250.1
Farm value (1967=100)	205.4	215.7	206.7	191.5	154.5	164.6	206.7	205.7	220.0	225.5
Farm-retail spread (1967=100)	198.3	216.5	229.9	236.9	237.9	239.4	247.1	265.2	259.7	261.7
Farm value/retail cost (%)	32.8	31.9	29.7	27.5	23.4	24.4	28.2	26.7	28.5	28.8
Processed fruits and vegetables:										
Retail cost (1967=100)	190.2	208.7	226.6	227.8	236.2	237.2	238.4	239.4	241.4	243.0
Farm value (1967=100)	188.5	221.9	236.5	239.7	245.5	241.9	236.6	240.5	240.5	243.5
Farm-retail spread (1967=100)	190.6	205.8	224.4	225.2	234.2	236.2	238.8	239.2	241.6	242.9
Farm value/retail cost (%)	18.0	19.3	18.9	19.1	18.8	18.5	18.0	18.2	18.1	18.2
Fats and oils:										
Retail cost (1967=100)	192.0	209.6	226.3	227.4	235.9	236.8	238.3	239.5	240.0	239.3
Farm value (1967=100)	249.3	257.4	277.4	284.2	244.6	234.4	224.6	217.8	231.6	259.6
Farm-retail spread (1967=100)	169.9	191.1	206.7	205.6	232.5	237.7	243.6	247.8	243.3	231.5
Farm value/retail cost (%)	36.1	34.1	34.0	34.7	28.8	27.5	26.2	25.3	26.8	30.1

¹ Market basket statistics are based on the weighting structure of the Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. ² Revised because of changes in data and procedures used for computing farm values for meat products.

Farm-retail price spreads

	Annual			1979	1980 p					
	1977	1978	1979	July	Feb.	Mar.	Apr.	May	June	July
Beef, Choice:¹										
Retail price ² (cts./lb.)	148.4	181.9	226.3	232.2	234.8	236.2	233.3	230.4	230.6	237.8
Net carcass value ³ (cts.)	93.8	119.3	150.5	148.0	154.6	153.9	148.2	152.2	156.4	163.2
Net farm value ⁴ (cts.)	85.5	111.1	140.8	137.6	145.0	145.1	138.2	142.7	146.1	153.5
Farm-retail spread (cts.)	62.9	70.8	85.5	94.6	89.8	91.1	95.1	87.7	84.5	84.3
Carcass-retail spread ⁵ (cts.)	54.6	62.6	75.8	84.2	80.2	82.3	85.1	78.2	74.1	74.6
Farm-carcass spread ⁶ (cts.)	8.3	8.2	9.7	10.4	9.6	8.8	10.0	9.5	10.3	9.7
Farm value/retail price (%)	58	61	62	59	62	61	59	62	64	65
Pork:¹										
Retail price ² (cts./lb.)	125.4	143.6	144.1	142.4	133.2	133.3	127.8	123.6	124.4	136.2
Wholesale value ³ (cts.)	99.0	107.7	100.4	93.4	91.3	88.0	79.7	79.5	87.6	101.5
Net farm value ⁴ (cts.)	65.6	76.6	66.6	61.1	59.0	53.6	45.6	46.6	55.5	68.2
Farm-retail spread (cts.)	59.8	67.0	77.5	81.3	74.2	79.7	82.2	77.0	68.9	68.0
Wholesale-retail spread ⁵ (cts.)	26.4	35.9	43.7	49.0	41.9	45.3	48.1	44.1	36.8	34.7
Farm-wholesale spread ⁶ (cts.)	33.4	31.1	33.8	32.3	32.3	34.4	34.1	32.9	32.1	33.3
Farm value/retail price (%)	52	53	46	43	44	40	36	38	45	50

¹ Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing and transportation to city where consumed. p Preliminary.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1979	1980					
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July
Rail freight rate index¹										
All products (1969=100)	199.1	213.0	243.4	239.8	267.7	269.8	279.7	279.7	282.3	291.7
Farm products (1969=100)	191.3	204.9	235.0	230.8	260.7	263.5	267.8	263.9	266.4	276.1
Grain (Dec. 1978=100)	n.a.	n.a.	106.9	104.4	120.6	122.2	126.2	123.5	124.4	128.9
Food products (1969=100)	195.3	210.0	239.5	235.8	263.8	265.7	276.0	276.2	278.9	290.7
Rail carloadings of grain (thou. cars) ²	23.9	25.8	27.5		31.0	30.2	26.5	23.6	28.3	33.2
Barge shipments of grain (mil. bu.) ³	29.3	31.3	31.2	37.3	25.2	32.7	36.2	33.0	42.7	47.7
Fresh fruit and vegetable shipments										
Rail (thou. cwt.) ^{3,4,5}	1,552	915	806	1,192	1,097	1,145	1,476	1,223	1,709	1,381
Truck (thou. cwt.) ^{3,4,5}	6,596	7,322	7,558	7,609	7,478	7,736	7,706	8,403	9,402	7,843

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1980. ⁵ Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.

Livestock and Products

Livestock and products output and prices

	1978	1979					1980				
	Annual	I	II	III	IV	Annual	I	II	III ¹	IV ¹	Annual ¹
Beef (mil. lb.)	24,010	5,547	5,076	5,222	5,416	21,261	5,244	5,250	5,300	5,425	21,219
Change (pct.) ²	-4	-9	-15	-12	-10	-11	-5	+3	+1	0	0
Pork (mil. lb.)	13,209	3,395	3,754	3,775	4,346	15,270	4,124	4,300	3,850	4,225	16,499
Change (pct.) ³	+1	+5	+15	+19	+23	+16	+21	+15	+3	-3	+8
Veal (mil. lb.)	600	113	98	99	100	410	91	89	80	85	345
Change (pct.) ²	-24	-37	-34	-29	-25	-32	-19	-9	-19	-15	-16
Lamb and mutton (mil. lb.)	300	71	71	69	73	284	81	77	70	70	298
Change (pct.) ²	-12	-5	-7	-5	-4	-5	+14	+8	+1	-4	+5
Red meats (mil. lb.)	38,119	9,126	8,999	9,165	9,935	37,225	9,540	9,716	9,350	9,805	38,411
Change (pct.) ²	-3	-5	-4	-1	+1	-2	+5	+8	+2	-1	+3
Broilers (mil. lb.)	9,884	2,551	2,844	2,855	2,665	10,915	2,722	2,923	2,750	2,500	10,895
Change (pct.) ²	+7	+10	+12	+11	+9	+10	+7	+3	-4	-6	0
Turkeys (mil. lb.)	1,984	271	465	720	725	2,181	374	523	720	740	2,357
Change (pct.) ²	+5	+19	+16	+6	+7	+10	+38	+12	0	+2	+8
Total meats (mil. lb.)	49,987	11,948	12,308	12,740	13,325	50,321	12,636	13,162	12,820	13,045	51,663
Change (pct.) ²	-1	-3	-1	+2	+3	+1	+6	+7	+1	-2	+3
Eggs (mil. doz.)	5,606	1,423	1,434	1,436	1,477	³ 5,769	1,464	1,421	1,420	1,450	5,755
Change (pct.) ²	+4	+3	+3	+4	+2	+3	+3	-1	-1	-2	0
Milk (bil. lb.)	³ 121.6	29.8	32.8	31.2	29.8	123.6	31.1	34.0	32.0	30.3	127.4
Change (pct.) ²	-1	0	+1	+3	+3	+2	+4	+4	+3	+2	+3
Total livestock and products (1974=100)	105.7	101.9	106.7	107.5	109.0	106.3	106.6	112.0	108.6	108.1	108.8
Change (pct.) ²	-5	-1.0	-6	+1.4	+3.2	+6	+4.6	+5.0	+1.0	-8	2.4
Prices											
Choice steers, Omaha (\$ per cwt.)	52.34	65.42	72.51	65.88	66.86	67.67	66.85 ⁴	64.65	70-72	72-75	69-70
Barrows and gilts, 7 markets (\$ per cwt.)	48.49	51.98	43.04	38.52	36.39	42.06	36.31	31.18	43-45	43-45	38-40
Broilers, 9-city wholesale (cts. per lb.) ⁴	44.5	47.5	47.7	40.8	41.7	44.4	43.0	41.1	51-53	47-49	45-47
Turkeys, N.Y., wholesale (cts. per lb.) ⁵	66.7	70.2	66.2	63.1	73.0	68.1	59.0	54.3	65-67	71-74	62-64
Eggs, cartonated, Grade A large, N.Y. (cts. per doz.)	61.7	71.9	66.1	65.2	69.4	68.2	62.1	57.0	68-70	72-75	65-66
Milk, all at farm (\$ per cwt.)	10.60	11.87	11.53	12.00	12.77	12.00	12.77	12.60	12.65-13.05	13.80-14.30	12.95-13.20
Livestock prices received by farmers (1967=100)	217	263	265	248	251	257	251	234	255	269	252

¹ Forecast. ² Change from year-earlier. ³ Does not add due to quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens.

Dairy:

	Annual			1979	1980 ¹					
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July
Milk production:										
Total milk (mil. lb.)	122,698	121,609	123,623	10,698	9,917	10,881	10,941	11,609	11,409	11,019
Milk per cow (lb.)	11,181	11,218	11,471	996	920	1,009	1,015	1,075	1,055	1,017
Number of milk cows (thou.)	10,974	10,841	10,777	10,741	10,781	10,783	10,780	10,797	10,812	10,840
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	8.58	9.57	10.91	10.87	11.35	11.59	11.68	11.66	11.68	11.73
Price of 16% dairy ration (\$/ton)	140	138	156	162	163	164	164	165	167	170
Milk-feed price ratio (lb.) ²	1.39	1.53	1.54	1.43	1.57	1.55	1.65	1.53	1.50	1.47
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,708	8,626	8,730	10,614	8,897	9,096	9,237	9,886	11,137	11,871
Commercial (mil. lb.)	5,299	4,916	4,475	6,351	5,476	6,469	5,567	5,958	6,263	6,181
Government (mil. lb.)	410	3,710	4,254	4,263	3,422	3,628	3,670	3,929	4,874	5,690
Imports, total equiv. (mil. lb.) ³	1,968	2,310	2,305	168	102	90	103	123	131	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	6,080	2,743	2,119	64.8	434.9	307.0	1,306.0	1,630.0	1,483.2	904.1
Butter:										
Production (mil. lb.)	1,085.6	994.3	984.6	72.5	99.1	101.7	111.1	116.4	93.8	85.0
Stocks, beginning (mil. lb.)	47.1	184.9	206.9	260.1	191.2	203.3	214.2	234.1	275.7	289.4
Wholesale price, Grade A Chi. (cts./lb.)	98.4	109.8	122.4	122.7	130.3	130.4	134.3	136.9	139.0	139.3
USDA net removals (mil. lb.)	221.8	112.0	81.6	⁵ -1.0	10.4	4.0	51.8	60.8	44.5	13.9
Commercial disappearance (mil. lb.)	859.8	903.5	895.0	72.5	86.1	89.9	46.5	55.0	60.0	n.a.
American cheese:										
Production (mil. lb.)	2,043.1	2,074.2	2,187.7	193.0	176.5	194.5	203.6	230.5	223.1	205.9
Stocks, beginning (mil. lb.)	411.4	422.1	378.8	432.2	404.6	400.3	391.4	416.1	450.9	490.2
Wholesale price, Wis. assembly pt. (cts./lb.)	96.8	107.1	123.8	123.7	126.0	129.6	131.4	131.0	130.9	130.8
USDA net removals (mil. lb.)	148.2	39.7	40.2	8.3	22.1	22.6	23.7	37.7	57.0	62.0
Commercial disappearance (mil. lb.)	1,958.8	2,064.7	2,110.9	156.2	159.6	178.7	167.5	168.5	159.2	n.a.
Other Cheese:										
Production (mil. lb.)	1,315.5	1,445.5	1,527.6	125.8	121.3	146.6	129.3	129.1	131.1	123.5
Stocks, beginning (mil. lb.)	67.1	64.0	78.4	97.3	111.8	110.9	109.2	106.9	107.3	111.9
Commercial disappearance (mil. lb.)	1,512.3	1,655.5	1,730.7	141.1	128.9	157.3	142.1	141.3	141.3	n.a.
Nonfat dry milk:										
Production (mil. lb.)	1,106.6	920.4	908.7	95.4	75.8	90.1	112.0	133.4	132.6	122.1
Stocks, beginning (mil. lb.)	485.4	677.9	585.1	538.3	454.4	448.6	444.8	483.3	507.7	548.4
Wholesale price, avg. manf. (cts./lb.)	66.5	71.4	80.0	79.7	83.9	84.1	87.3	88.7	88.8	88.9
USDA net removals (mil. lb.)	461.7	285.0	255.3	41.4	32.1	26.2	59.6	89.7	103.1	96.2
Commercial disappearance (mil. lb.)	682.2	658.4	603.1	59.2	49.3	61.2	21.0	19.3	33.4	n.a.
Frozen dessert production (mil. gal.) ⁴	1,167.6	1,173.5	1,152.9	117.4	80.0	94.2	98.3	106.8	117.6	126.9

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbert.

⁵ Domestic sales exceeded purchases. n.a. = not available.

Wool:

	Annual			1979	1980					
	1977	1978	1979	July	Feb.	Mar.	Apr.	May	June	July
U.S. wool price, Boston ¹ (cts./lb.)	183	189	218	218	253	256	231	225	233	245
Imported wool price, Boston ² (cts./lb.)	224	230	257	271	267	265	258	253	259	258
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	95,485	102,246	101,206	7,497	10,202	9,818	11,328	9,190	8,307	n.a.
Carpet wool (thou. lb.)	12,526	13,009	9,846	681	795	859	901	712	585	n.a.

¹Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ²Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1980 is 20.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding, n.a. not available.

Poultry and eggs:

	Annual			1979	1980					
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July
Eggs										
Farm production (mil.)	64,888	67,278	69,227	5,787	5,586	5,949	5,699	5,781	5,568	5,706
Average number of layers on farms (mil.)	275	282	288	284	290	286	283	279	279	281
Rate of lay (eggs per layer)	236	239	240	20.4	19.2	20.8	20.2	20.7	19.9	20.3
Cartoned Price, New York, grade A										
large (cts./doz.) ¹	63.3	61.7	68.2	64.0	60.0	64.0	60.3	55.1	59.0	68.1
Price of laying feed (\$/ton)	152	152	168	177	172	174	173	176	176	179
Egg-feed price ratio (lb.) ²	7.3	6.9	7.0	6.1	5.9	6.3	6.0	5.3	6.5	5.7
Stocks, beginning of period:										
Shell (thou. cases)	28	39	38	24	47	24	23	29	47	50
Frozen (mil. lb.)	26.1	29.7	25.3	22.8	22.3	23.8	23.3	25.9	26.6	29.2
Replacement chicks hatched (mil.)	502	492	519	42.8	42.0	45.8	46.6	46.6	41.6	37.3
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,227	9,883	10,916	965.3	867.7	899.1	977.7	992.3	952.6	n.a.
Wholesale price, 9-city, (cts./lb.)	40.8	44.5	44.4	42.8	42.7	40.5	38.9	41.1	43.3	52.8
Price of broiler grower feed (\$/ton)	171	169	189	199	194	193	193	189	190	192
Broiler-feed price ratio (lb.) ²	2.7	3.1	2.8	2.5	2.6	2.5	2.3	2.5	2.6	3.3
Stocks, beginning of period (mil. lb.)	32.9	29.4	20.1	19.3	26.7	30.9	30.6	31.7	30.4	34.8
Average weekly placements of broiler chicks, 21 States (mil.)	66.6	70.9	76.3	78.9	80.3	82.8	82.3	81.5	81.9	77.9
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,892	1,983	2,182	219.2	109.4	123.2	141.4	177.5	204.2	n.a.
Wholesale price, New York, 8-16 lb.										
young hens (cts./lb.)	54.0	66.7	68.1	63.0	57.8	56.8	54.1	53.3	55.5	63.3
Price of turkey grower feed (\$/ton)	184	182	202	214	202	203	200	204	208	213
Turkey-feed price ratio (lb.) ²	3.8	4.6	4.1	3.5	3.6	3.5	3.4	3.1	3.1	3.5
Stocks, beginning of period (mil. lb.)	203.4	167.9	175.1	200.9	247.5	223.6	210.8	236.6	288.0	288.6
Poults hatched (mil.)	148.4	157.5	180.0	16.9	16.4	20.4	21.1	21.1	20.2	18.6

¹Price of cartoned eggs to volume buyers for delivery to retailers. ²Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1979		1980				
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	8,213	8,927	9,226	7,562	7,957	7,443	7,156	6,828	6,853	6,793
Placed on feed (thou. head) ²	20,809	22,593	19,877	1,211	1,206	1,310	1,247	1,602	1,450	1,519
Marketings (thou. head)	18,701	20,297	18,793	1,462	1,565	1,480	1,445	1,369	1,397	1,346
Other disappearance (thou. head)	1,383	1,997	1,856	108	155	117	130	208	113	79
Beef steer-corn price ratio, Omaha (bu.) ³	19.9	24.8	28.7	25.0	28.9	30.0	27.2	26.6	26.5	25.1
Hog-corn price ratio, Omaha (bu.) ³	20.2	22.9	18.1	14.2	16.1	15.2	12.3	12.0	13.8	15.3
Commercial slaughter (thou. head)*										
Cattle	41,856	39,552	33,678	2,663	2,645	2,572	2,712	2,782	2,700	2,833
Steers	19,342	18,526	17,363	1,377	1,418	1,394	1,466	1,480	1,412	1,439
Heifers	11,748	11,758	9,725	801	715	692	731	787	769	822
Cows	9,864	8,470	5,923	432	460	434	459	458	457	507
Bulls and stags	902	798	639	52	52	52	55	57	62	65
Calves	5,517	4,170	2,824	218	205	221	206	184	181	211
Sheep and lambs	6,356	5,369	5,017	400	431	485	485	469	416	439
Hogs	77,303	77,315	89,099	7,003	7,603	8,210	8,869	8,551	7,622	7,213
Commercial production (mil. lb.)										
Beef	24,986	24,010	21,254	1,683	1,707	1,653	1,739	1,785	1,726	1,781
Veal	794	600	413	34	28	30	30	29	30	31
Lamb and mutton	341	300	284	23	25	28	28	27	22	23
Pork	13,051	13,209	15,290	1,220	1,287	1,388	1,514	1,473	1,313	1,231
Dol. per 100 pounds										
Market prices										
Slaughter cattle:										
Choice steers, Omaha	40.38	52.34	67.67	67.06	67.44	66.80	63.07	64.58	66.29	70.47
Utility cows, Omaha	25.32	36.79	50.10	47.08	51.22	48.80	45.73	42.78	44.06	43.33
Choice vealers, S. St. Paul	48.19	69.24	91.41	92.29	70.88	73.88	73.60	71.88	72.00	73.00
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	40.19	58.78	83.08	82.48	83.18	77.62	69.87	69.18	72.25	73.32
Slaughter hogs:										
Barrows and gilts, 7-markets	41.07	48.49	42.06	38.73	37.51	33.94	28.86	29.50	35.17	43.16
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.42	48.16	35.26	24.14	34.84	29.97	23.86	20.37	22.24	24.48
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	54.28	65.33	68.45	65.83	66.31	68.62	65.50	61.75	69.00	69.00
Ewes, Good, San Angelo	19.19	28.97	32.82	31.83	30.62	32.65	27.90	25.00	22.00	22.00
Feeder lambs:										
Choice, San Angelo	55.12	75.61	77.53	70.25	79.00	70.50	64.00	57.42	65.38	65.38
Wholesale meat prices, Midwest⁴										
Choice steer beef, 600-700 lb.	62.69	80.43	101.62	99.85	103.70	103.15	99.41	102.00	105.18	110.11
Canner and Cutter cow beef	51.58	74.61	100.23	95.08	101.00	97.69	92.68	87.70	88.19	89.47
Pork loins, 8-14 lb.	83.04	95.99	91.35	87.62	81.28	76.24	70.90	70.73	79.80	87.22
Pork bellies 12-14 lb.	54.19	62.50	46.00	38.95	34.64	35.00	27.85	29.40	32.51	45.69
Hams, skinned, 14-17 lb.	76.50	86.37	77.04	64.48	66.81	67.08	56.46	0	60.30	0

	Annual			1979				1980		
	1977	1978	1979	I	II	III	IV	I	II	III
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	11,948	12,811	12,681	12,681	11,074	10,309	9,938	11,713	10,203	9,619
Placed on feed (thou. head) ²	27,651	29,073	26,062	5,853	6,149	5,957	8,077	5,217	5,625	—
Marketings (thou. head)	24,853	26,645	24,600	6,747	6,146	5,976	5,731	6,155	5,620	—
Other disappearance (thou. head) ²	1,935	2,558	2,404	713	768	352	571	572	589	—
Hogs and pigs (14-States):⁴										
Inventory (thou. head) ¹	47,120	48,308	51,220	51,220	50,935	55,540	57,270	67,330	55,005	55,140
Breeding (thou. head) ¹	6,788	7,324	8,095	8,095	8,333	8,696	8,277	8,082	8,099	7,829
Market (thou. head) ¹	40,332	40,984	43,125	43,125	42,602	46,844	48,993	48,811	46,636	47,311
Farrowings (thou. head)	10,362	10,609	12,320	2,660	3,486	3,159	3,043	2,745	3,391	—
Pig crop (thou. head)	74,161	75,564	87,412	18,266	24,994	22,606	21,546	19,627	—	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. Beginning in January 230-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁷ Intentions. ⁸ Classes estimated.

Crops and Products

Feed grains:

	Marketing year ¹			1979		1980				
	1976/77	1977/78	1978/79	July	Feb	Mar	Apr	May	June	July
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.30	2.26	2.54	3.00	2.65	2.60	2.61	2.70	2.70	3.08
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	3.49	3.54	4.00	4.89	4.35	4.20	4.09	4.31	4.49	5.36
Barley, feed, Minneapolis (\$/bu.)	2.35	1.68	1.80	2.39	2.04	2.06	2.12	2.09	2.15	2.48
Barley, malting, Minneapolis (\$/bu.) ²	3.13	2.27	2.38	2.82	2.81	2.69	2.73	2.82	2.99	3.36
Exports:										
Corn (mil. bu.)	1,684	1,948	2,133	223	186	205	214	171	193	198
Feed grains (mil. metric tons) ³	50.6	56.3	60.2	6.0	5.8	6.1	6.5	5.1	5.7	5.7
	Marketing year ¹			1978		1979			1980	
	1976/77	1977/78	1978/79	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May p
Corn:										
Stocks, beginning (mil. bu.)	399	884	1,104	1,104	6,203	4,423	3,232	1,286	6,773	4,780
Domestic use:										
Feed (mil. bu.)	3,587	3,709	4,198	1,397	1,224	695	881	1,473	1,276	693
Food, seed, ind. (mil. bu.)	513	551	575	137	129	109	201	141	135	116
Feed grains:³										
Stocks, beginning (mil. metric tons)	17.2	29.9	41.2	52.7	190.5	135.1	99.4	55.0	203.4	142.1
Domestic use:										
Feed (mil. metric tons)	112.6	117.3	133.1	44.0	38.3	21.2	30.1	45.7	39.0	20.6
Food, seed, ind. (mil. metric tons)	17.9	18.8	19.7	4.5	4.5	4.0	6.6	4.7	4.6	4.2

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better, plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p. Preliminary.

Food grains:

	Marketing year ¹			1979		1980				
	1976/77	1977/78	1978/79	July	Feb	Mar	Apr	May	June	July
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	2.88	2.72	3.38	4.34	4.32	4.07	3.90	4.10	4.07	4.21
Wheat, DNS, Minneapolis (\$/bu.) ²	2.96	2.66	3.17	4.31	4.13	4.04	3.94	4.21	4.19	4.54
Flour, Kansas City (\$/cwt.)	7.21	6.60	7.81	10.39	10.26	9.81	9.49	10.01	9.84	10.00
Flour, Minneapolis (\$/cwt.)	8.34	7.34	8.17	10.64	10.41	10.11	9.69	10.38	10.34	11.03
Rice, S.W. La. (\$/cwt.) ³	14.60	21.30	18.40	21.50	22.50	24.30	24.00	23.25	21.80	20.90
Wheat:										
Exports (mil. bu.)	950	1,124	1,194	139	94	103	102	92	101	127
Mill grind (mil. bu.)	628	616	622	52	50	49	47	50	48	—
Wheat flour production (mil. cwt.)	279	275	278	24	23	22	21	23	21	—
	Marketing year ¹			1978		1979			1980	
	1976/77	1977/78	1978/79	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Wheat:										
Stocks, beginning (mil. bu.)	665	1,112	1,177	2,138	1,633	1,226	925	2,272	1,716	1,225
Domestic use:										
Food (mil. bu.)	588	586	592	154	147	99	198	157	145	95
Feed and seed (mil. bu.) ⁴	160	263	265	43	36	34	86	114	63	36
Exports (mil. bu.)	950	1,124	1,194	309	224	168	511	388	283	193

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Fats and oils:

	Marketing Year ¹			1979		1980				
	1976/77	1977/78	1978/79	July	Feb.	Mar.	Apr.	May	June	July
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . .	7.36	6.11	6.75	7.49	6.38	6.06	5.80	6.02	6.14	7.20
Crushings (mil. bu.)	790.2	927.7	1,017.8	80.6	100.0	102.2	91.9	93.8	82.0	84.9
Processing margin (\$/bu.) ² . . . . .	.19	.29	.36	.36	.25	.21	.8	.19	.17	.19
Exports (mil. bu.)	564.1	723.4	753.0	32.7	73.0	69.4	81.3	74.2	58.7	49.1
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.9	23.8	27.4		23.4	22.1	20.3	20.8	21.7	26.2
Production (mil. lb.)	8,577.9	10,291.4	11,323.0	899.8	1,064.9	1,098.1	993.7	1,008.3	901.7	—
Domestic disappearance (mil. lb.)	7,454.4	8,192.4	894.2	729.8	749.5	793.8	696.8	700.7	617.0	—
Exports (mil. lb.)	1,547.5	2,137.1	2,334.0	305.5	259.4	333.0	279.5	335.1	203.2	—
Stocks, beginning (mil. lb.)	1,250.6	766.6	771.0	922.9	1,155.2	1,204.5	1,183.7	1,156.2	1,156.2	1,226.3
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton) . . .	199.80	161.87	190.10		174.25	164.60	154.20	166.50	160.90	187.90
Production (mil. lb.)	18,488.1	22,398.9	24,354.0	1,900.8	2,400.0	2,454.4	2,203.1	2,247.0	1,922.0	1,989.5
Domestic disappearance (thou. ton)	14,000.8	15,287.2	1,772.0	1,326.6	1,463.0	1,513.5	1,593.9	1,423.4	1,425.0	—
Exports (thou. ton)	4,559.2	7,542.7	6,610	543.7	930.0	881.1	661.2	750.7	658.0	—
Stocks, beginning (thou. ton)	354.9	228.3	243	239.0	184.3	191.3	251.1	226.1	299.0	302.1
Margarine, wholesale price, Chicago (cts./lb.) . . .	31.4	39.1	43.5		47.5	46.6	45.7	44.0	44.7	—

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Fruit:

	Annual			1979		1980				
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July
Wholesale price indexes:										
Fresh fruit (1967=100)	177.5	217.6	230.4	238.6	242.2	237.5	229.6	244.3	224.0	250.1
Dried fruit (1967=100)	338.4	355.3	530.7	578.6	373.7	373.7	374.8	374.8	375.8	376.9
Canned fruit and juice (1967=100)	190.4	213.9	240.2	239.3	252.0	253.1	254.7	255.3	257.3	257.6
Frozen fruit and juice (1967=100)	196.5	232.0	248.5	249.1	251.3	251.3	247.0	247.4	243.2	244.0
F.o.b. shipping point prices										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	11.55	11.87	12.95	13.02	13.24	14.9	15.64
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	n.a.	12.69	15.00	15.02	15.31	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	7.44	10.69	12.94	13.45	9.17	9.49	8.73	8.75	9.03	9.40
Grapefruit, U.S. avg. (\$/box)	6.27	6.72	7.96	15.60	7.83	8.02	8.03	8.56	9.08	8.27
Stocks, beginning:										
Fresh apples (mil. lb.)	³ 2,249.0	³ 2,624.5	³ 2,789.6	39.2	1,586.8	1,044.0	651.2	322.1	140.2	19.8
Fresh pears (mil. lb.)	³ 211.6	³ 195.3	³ 157.6	2.2	77.9	48.5	24.0	2.5	n.a.	41.6
Frozen fruit (mil. lb.)	³ 538.9	³ 517.9	³ 557.2	482.5	450.6	395.0	364.0	340.9	419.6	560.7
Frozen fruit juices (mil. lb.)	³ 844.1	³ 714.0	³ 733.1	1,352.7	1,284.2	1,404.8	1,546.5	1,768.7	1,816.8	1,640.6

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-126's. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's C.A. storage. ³ Stocks as of January 1 of year listed. n.a. = not available.

Cotton:

	Marketing Year ¹			1979		1980				
	1976/77	1977/78	1978/79	July	Feb	Mar	Apr	May	June	July
U.S. Price, SLM, 1-1/16 in. (cts./lb.) ²	70.9	52.7	61.6	61.9	80.7	79.2	79.1	78.3	72.4	79.0
Northern Europe prices:										
Index (cts./lb.) ³	81.7	70.6	76.1	76.8	97.1	93.5	90.6	88.4	84.1	88.9
U.S., SM 1-1/16 in. (cts./lb.) ⁴	82.4	66.0	76.3	77.1	98.1	95.2	95.1	95.3	85.4	93.5
U.S. mill consumption (thou. bales)	6,674.4	6,462.5	6,434.8	524.1	530.1	537.2	649.7	518.6	495.3	521.5
Exports (thou. bales)	4,783.6	5,484.1	6,180.2	433.4	1,077.9	1,207.4	963.1	956.2	721.3	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Vegetables:

	Annual			1979	1980					
	1977	1978	1979	July	Feb.	Mar.	Apr.	May	June	July
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt). . .	5.52	5.20	4.54	3.98	3.78	3.56	3.32	5.04	7.06	7.93
Iceberg lettuce (\$/ctrn.) ¹	3.23	5.10	5.10	4.02	3.13	5.41	5.84	6.31	2.70	3.75
Tomatoes (\$/ctrn.) ²	7.21	6.65	7.86	4.77	5.93	7.87	10.08	9.36	9.10	5.32
Wholesale price index, 10 canned veg (1967=100)	170	175	191	1.92	187	184	191	192	198	199
Grower Price index, fresh commercial veg. (1967=100)	197	209	215	188	184	214	238	231	216	196

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar:

	Annual			1979	1980					
	1977	1978	1979	July	Feb.	Mar.	Apr.	May	June	July
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . .	*10.99	—	—	—	24.69	21.19	22.67	31.89	32.10	28.75
U.S. deliveries (thou. short tons) ^{1 3} . .	11,207	10,849	*10,755	750	829	843	765	*936	875	959

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. ⁴ Ten month average. ⁵ Preliminary.

Tobacco:

	Annual			1979	1980					
	1977	1978	1979	July	Feb.	Mar.	Apr.	May	June	July
Prices at auctions:										
Flue-cured (cts./lb.) ¹	117.6	135.0	140.0	129.2	—	—	—	—	—	131.6
Burley (cts./lb.) ¹	120.0	131.0	145.2	—	139.0	—	—	—	—	—
Domestic consumption²										
Cigarettes (bil.)	592.0	614.3	613.8	45.8	48.1	49.5	52.8	50.5	53.7	n.a.
Large cigars (mil.)	4,961	4,701	4,297	310.4	312.4	350.7	288.9	349.1	364.2	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. available.

Coffee:

	Annual			1979	1980					
	1977	1978	1979	July	Feb.	Mar.	Apr.	May p	June p	July
Composite green price, N.Y. (cts./lb.) . . .	256.38	162.32	174.27	202.06	178.01	189.83	186.00	195.29	188.22	174.50
Imports, green bean equivalent (mil lb.) ¹ .	1,974	2,448	2,656	217	189	194	220	208	221	*215
	Annual			1979				1980		
	1977	1978	1979	Jan-Mar	Apr-June	July-Sept	Oct-Dec p	Jan-Mar	Apr-June p	July-Sept p
Roastings (mil. lb.) ²	1,892	2,156	2,249	619	569	497	564	568	*532	*465

¹ Green and processed coffee. ² Instant soluble and roasted coffee p Preliminary, * Forecast.

Supply and Utilization: Crops

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ²			
	1978/79	1979/80 Estimated	1980/81		1978/79	1979/80 Estimated	1980/81	
			Projected	Probable variability*			Projected	Probable variability*
Wheat:	Mil. acres				Mil. hectares			
Area								
Planted	66.3	71.6	80.9	—	26.8	—	—	—
Harvested	56.9	62.6	71.6	—	22.9	—	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	31.6	34.2	32.5	—	2.2	—	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	1,177	925	901	—	32.0	25.2	24.5	—
Production	1,798	2,142	2,325	+40 to -40	48.9	58.3	63.3	—
Imports	1	2	2	—	—	—	—	—
Supply, total	2,976	3,069	3,228	+80 to -80	81.0	83.5	87.9	—
Domestic	857	793	830	+55 to -55	23.3	21.6	22.6	—
Exports	1,194	1,375	1,450	+100 to -100	32.5	37.4	39.5	—
Use, total	2,051	2,168	2,280	+125 to -125	55.8	59.0	62.1	—
Ending stocks	925	901	948	+125 to -125	25.2	24.5	25.8	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers.	2.98	³ 3.82	³ 3.90-4.25	—	109	³ 140	³ 143-156	—
Price, Kansas City, No. 1 HRW	3.38	⁴ 4.25	⁴ 4.14	—	124	⁴ 156	⁴ 152	—
Rice	Mil. acres				Mil. hectares			
Area								
Allotment	1.80	1.80	1.80	—	73	—	—	—
Planted	2.99	3.00	3.36	—	1.23	—	—	—
Harvested	2.97	2.98	3.33	—	1.23	—	—	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	4,484	4,588	4,387	—	5.06	—	—	—
	Mil. cwt.				Mil. metric tons			
Beginning stocks	27.4	31.6	31.8	—	1.2	1.5	1.4	—
Production	133.2	136.7	146.1	+6 to -6	6.0	6.2	6.6	—
Imports . . . . .	.1	—	—	—	—	—	—	—
Supply, total	160.7	168.3	177.9	+6 to -6	7.3	7.7	8.0	—
Domestic	48.0	50.5	53.0	+2 to -2	2.2	2.3	2.4	—
Exports	76.9	83.0	87.0	+5 to -5	3.5	3.8	3.9	—
Use, total	124.9	133.5	140.0	+6 to -6	5.7	6.1	6.3	—
Ending stocks	31.6	31.8	34.9	+6 to -6	1.5	1.4	1.6	—
Difference unaccounted	+4.2	—	—	—	—	—	—	—
	Dol. per cwt.				Dol. per metric ton			
Price received by farmers.	8.16	³ 10.60	9.50-11.50	—	180	³ 234	209-254	—
Price, long-grain milled, S.W. La. . .	18.41	⁴ 22.16	—	—	406	⁴ 489	—	—
Feed grains ⁴	Mil. acres				Mil. hectares			
Area								
Planted	122.8	117.6	120.8	—	—	—	—	—
Harvested	104.5	101.2	100.3	—	—	—	—	—
	Metric tons per acre				Metric tons per hectare			
Yield per harvested unit	2.08	2.31	1.96	—	—	—	—	—
	Mil. short tons				Mil. metric tons			
Beginning stocks	—	—	—	—	41.2	45.9	53.4	—
Production	—	—	—	—	217.4	233.9	196.7	+10 to -10
Imports	—	—	—	—	.3	.3	.2	—
Supply, total	—	—	—	—	258.9	280.0	250.3	+10 to -10
Feed	—	—	—	—	133.1	134.8	125.2	+9 to -9
Food, seed, and industrial uses	—	—	—	—	19.7	20.9	23.2	+1 to -1
Domestic, total	—	—	—	—	152.8	155.7	148.4	+9 to -9
Exports	—	—	—	—	60.2	70.9	71.0	+6 to -6
Use, total	—	—	—	—	213.0	226.6	219.4	+13 to -13
Ending stocks	—	—	—	—	45.9	53.4	30.9	+9 to -9

See footnotes at end of table.

Supply and utilization of major crops^{1c}—Continued

	Domestic measure ²				Metric measure ²			
	1980/81				1980/81			
	1978/79	1979/80 Estimated	Projected	Probable variability*	1978/79	1979/80 Estimated	Projected	Probable variability*
Corn:								
	Mil. acres				Mil. hectares			
Area								
Planted	80.1	80.0	83.5	—	31.8	—	—	—
Harvested	70.3	71.0	71.4	—	27.6	—	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	100.8	109.4	93.0	—	6.03	—	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	1,104	1,286	1,701	—	28.0	32.7	43.2	—
Production	7,087	7,764	6,646	+430 to -430	180.0	197.2	168.8	—
Imports	1	1	1	—	(6)	(6)	—	—
Supply, total	8,192	9,051	8,348	+430 to -430	208.1	229.9	212.0	—
Feed	4,198	4,325	4,150	+300 to -300	106.6	109.9	105.4	—
Food, seed, and industrial uses	575	625	715	+25 to -25	14.6	15.8	18.2	—
Domestic, total	4,773	4,950	4,865	+315 to -315	121.2	125.7	123.6	—
Exports	2,133	2,400	2,500	+200 to -200	54.2	61.0	63.5	—
Use, total	6,906	7,350	7,365	+450 to -450	175.4	186.7	187.1	—
Ending stocks	1,286	1,701	983	+300 to -300	32.7	43.2	24.9	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.25	³ 2.50	2.90-3.40	—	89	³ 98	114-134	—
Price, Chi., No. 2 yellow	2.54	⁴ 2.69	—	—	100.0	⁴ 105.90	—	—
Soybeans:								
	Mil. acres				Mil. hectares			
Area								
Planted	64.4	71.6	70.3	—	26.1	29.0	28.4	—
Harvested	63.3	70.5	68.6	—	25.6	28.5	27.8	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	29.5	32.2	27.4	—	1.98	2.17	1.84	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	161	174	400	—	4.4	4.7	10.9	—
Production	1,870	2,268	1,880	+125 to -125	50.9	61.7	51.2	+3.4 to -3.4
Supply, total	2,031	2,442	2,280	+125 to -125	55.3	66.4	62.1	+3.4 to -3.4
Crushings	1,081	1,110	1,050	+50 to -50	27.7	30.2	28.8	+1.4 to -1.4
Exports	753	850	835	+50 to -50	20.5	23.1	22.7	+1.4 to -1.4
Seed, feed, and residual	86	97	95	—	2.4	2.7	2.6	—
Use, total	1,857	2,057	1,980	+75 to -75	50.6	56.0	53.9	+2.0 to -2.0
Ending stocks	174	400	300	+75 to -75	4.7	10.9	8.2	+2.0 to -2.0
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	6.66	³ 6.25	7.75	+1.25 to -1.25	245	³ 230	285	+46 to -46
Price, Chi., No. 1 yellow	7.08	⁴ 6.38	—	—	260.14	⁴ 234.42	—	—
Soybean oil:								
	Mil. lb.				Thou. metric tons			
Beginning stocks	729	776	1,205	—	331	352	547	—
Production	11,323	11,879	11,445	+550 to -550	5,136	5,388	5,191	+249 to -249
Supply, total	12,052	12,655	12,650	+550 to -550	5,467	5,740	5,738	+249 to -249
Domestic	8,942	8,900	9,000	+500 to -500	4,056	4,037	4,082	+227 to -227
Exports	2,334	2,550	2,500	+150 to -150	1,059	1,157	1,134	+68 to -68
Use, total	11,276	11,450	11,500	+500 to -500	5,115	5,194	5,216	+227 to -227
Ending stocks	776	1,205	1,150	+200 to -200	352	547	522	+91 to -91
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	27.4	24.5	28.0	+5.0 to -5.0	604	540	617	+110 to -110
Soybean meal:								
	Thou. short tons				Thou. metric tons			
Beginning stocks	243	267	305	—	220	242	277	—
Production	24,354	26,638	24,935	+1,200 to -1,200	22,094	24,166	22,621	+1,089 to -1,089
Supply, total	24,597	26,905	25,240	+1,200 to -1,200	22,314	24,408	22,897	+1,089 to -1,089
Domestic	17,720	18,850	17,800	+1,000 to -1,000	16,075	17,100	16,148	+907 to -907
Exports	6,610	7,750	7,100	+400 to -400	5,996	7,031	6,441	+363 to -363
Use, total	24,330	26,600	24,900	+1,000 to -1,000	22,072	24,131	22,589	+907 to -907
Ending stocks	267	305	340	+50 to -50	242	277	308	+45 to -45
	Dol. per short ton				Dol. per metric ton			
Price, bulk, Decatur, 44%	190.10	180.00	220.00	+35 to -35	210	198	243	+39 to -39

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic measure ²				Metric measure ²			
	1980/81				1980/81			
	1978/79	1979/80 Estimated	Projected	Probable variability*	1978/79	1979/80 Estimated	Projected	Probable variability*
Cotton: ⁷								
	Mil. acres				Mil. hectares			
Area								
Planted	13.4	13.9	14.4	—	5.41	5.64	5.81	—
Harvested	12.4	12.8	13.3	—	5.01	5.19	5.40	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	421	548	461	—	.47	.61	.52	—
	Mil. 480-lb. bales				Mil. metric tons			
Beginning stocks ⁸	5.3	4.0	2.8	+0.2 to -0.2	1.16	.87	.61	+.04 to -.04
Production	10.9	14.6	12.8	+1.0 to -1.0	2.36	3.18	2.79	+.22 to -.22
Supply, total ⁹	16.2	18.6	15.7	+1.0 to -1.0	3.53	4.05	3.42	+.22 to -.22
Mill use	6.4	6.5	6.0	+0.5 to -0.5	1.39	1.42	1.31	+.11 to -.11
Exports	6.2	9.4	6.8	+0.5 to -1.0	1.35	2.05	1.48	+.11 to -.22
Use, total	12.5	15.9	12.9	+1.0 to -1.5	2.72	3.46	2.81	+.22 to -.33
Difference unaccounted ¹⁰ . . . .	.3	.1	.1	—	.07	.02	.02	—
Ending stocks	⁴ 4.0	2.8	2.9	+1.0 to -0.5	⁹ .87	.61	.63	+.22 to -.11
	Cts. per lb.				Cts per kilogram			
Price received by farmers	58.4	¹¹ 62.6	—	—	1.29	¹¹ 1.38	—	—
Price, SLM, 1-1/16 in., spot . . .	61.6	⁴ 71.5	—	—	134.1	⁴ 155.7	—	—

¹ Marketing Year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through July 1980. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Season average farm price.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

General Economic Data

Gross national product and related data

	Annual			1978		1979				1980	
	1977	1978	1979	III	IV	I	II	III	IV	I	II
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,899.5	2,127.6	2,368.8	2,159.6	2,235.2	2,292.1	2,329.8	2,396.5	2,456.9	2,520.8	2,524.6
Personal consumption expenditures	1,210.0	1,350.8	1,509.8	1,369.3	1,415.4	1,454.2	1,475.9	1,528.6	1,580.4	1,629.5	1,628.6
Durable goods	178.8	200.3	213.0	203.5	212.1	213.8	208.7	213.4	216.2	220.2	195.7
Nondurable goods	481.3	530.6	596.9	536.7	558.1	571.1	581.2	604.7	630.7	652.0	654.8
Clothing and shoes	82.4	91.2	99.2	92.7	96.8	95.5	96.9	101.0	103.6	103.9	106.4
Food and beverages	246.7	271.7	301.9	274.5	283.9	292.9	296.7	303.1	315.6	322.6	324.8
Services	549.8	619.8	699.8	629.1	645.1	669.3	686.0	710.6	733.5	757.3	778.0
Gross private domestic investment	303.3	351.5	387.2	356.2	370.5	373.8	395.4	392.3	387.2	387.7	370.3
Fixed investment	281.3	329.1	369.0	336.1	349.8	354.6	361.9	377.8	381.7	383.0	356.7
Nonresidential	189.4	221.1	254.9	225.9	236.1	243.4	249.1	261.8	265.2	272.6	267.7
Residential	91.9	108.0	114.1	110.2	113.7	111.2	112.9	116.0	116.4	110.4	89.0
Change in business inventories	21.9	22.3	18.2	20.0	20.6	19.1	33.4	14.5	5.6	4.7	13.6
Net exports of goods and services	-9.9	-10.3	-4.6	-6.8	-4.5	4.0	-8.1	-2.3	-11.9	-13.6	-2.5
Exports	175.9	207.2	257.5	213.8	224.9	238.5	243.7	267.3	280.4	308.1	307.1
Imports	185.8	217.5	262.1	220.6	229.4	234.4	251.9	269.5	292.4	321.7	309.7
Government purchases of goods and services	396.2	435.6	476.4	440.9	453.8	460.1	466.6	477.8	501.2	517.2	528.3
Federal	144.4	152.6	166.6	152.3	159.0	163.6	161.7	162.9	178.4	186.2	193.3
State and local	215.8	283.0	309.8	288.6	294.8	296.5	304.9	314.9	322.8	331.0	335.0

1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)

Gross national product	1,340.5	1,399.2	1,431.6	1,407.3	1,426.6	1,430.6	1,422.3	1,433.3	1,440.3	1,444.7	1,410.9
Personal consumption expenditures	861.7	900.8	924.5	905.3	920.3	921.8	915.0	925.9	935.4	936.5	912.6
Durable goods	138.2	146.7	147.1	147.5	152.1	150.2	144.8	146.9	146.7	145.4	127.4
Nondurable goods	332.7	343.3	349.1	344.7	351.9	348.1	344.1	349.2	355.1	354.1	349.1
Clothing and shoes	67.4	72.7	76.5	73.8	76.4	75.0	75.0	77.6	78.5	77.5	78.6
Food and beverages	166.5	167.1	168.8	166.6	168.6	167.2	166.6	169.3	172.3	173.5	171.8
Services	390.8	410.8	428.3	413.1	416.3	423.5	426.1	429.9	433.6	437.0	436.1
Gross private domestic investment	200.1	214.3	215.2	214.0	217.4	217.2	221.7	214.2	207.7	203.2	189.0
Fixed investment	186.9	200.2	205.5	201.8	205.5	204.9	203.5	207.1	206.3	202.9	185.7
Nonresidential	129.3	140.1	148.8	141.6	145.5	147.2	146.9	150.7	150.5	151.2	145.0
Residential	57.7	60.1	56.7	60.2	60.0	57.7	56.7	56.5	55.8	51.7	40.7
Change in business inventories	13.1	14.1	9.7	12.2	12.0	12.3	18.1	7.1	1.4	.3	3.3
Net exports of goods and services	10.3	11.0	17.6	13.3	12.9	17.0	13.2	20.1	20.1	25.0	28.1
Exports	98.4	108.9	119.9	111.9	113.8	117.0	116.0	122.2	124.3	131.7	128.4
Imports	88.2	97.9	102.3	98.5	101.0	100.0	102.9	102.1	104.1	106.7	100.4
Government purchases of goods and services	268.5	273.2	274.3	274.7	276.0	274.7	272.4	273.1	277.1	280.0	281.3
Federal	100.6	98.6	99.4	98.5	99.3	101.1	98.1	97.4	101.1	104.3	106.9
State and local	167.9	174.6	174.9	176.2	176.6	173.6	174.3	175.6	176.0	175.7	174.3
New plant and equipment expenditures (\$bil.)	135.80	153.82	177.09	155.41	163.96	165.94	173.48	179.33	186.95	191.36	191.00
Implicit price deflator for GNP (1972=100)	141.70	152.05	165.46	153.45	156.68	160.22	163.81	167.20	170.58	174.48	178.93
Disposable income (\$bil.)	1,305.1	1,458.4	1,624.3	1,476.5	1,524.8	1,572.2	1,601.7	1,640.0	1,683.1	1,737.4	1,755.0
Disposable income (1972 \$bil.)	929.5	972.6	994.8	976.2	991.5	996.6	993.0	993.4	996.2	998.5	983.4
Per capita disposable income (\$)	6,017	6,672	7,367	6,749	6,955	7,157	7,275	7,430	7,606	7,834	7,897
Per capita disposable income (1972 \$)	4,285	4,449	4,512	4,462	4,522	4,536	4,510	4,501	4,502	4,502	4,425
U.S. population, tot, incl. military abroad (mil.)	216.9	218.7	220.6	219.0	219.5	219.9	220.3	220.9	221.4	221.9	222.5
Civilian population (mil.)	214.7	216.6	218.5	216.9	217.4	217.8	218.3	218.8	219.3	219.8	220.4

See footnotes at end of next table.

Selected monthly indicators

	Annual			1979		1980				
	1977	1978	1979	July	Feb.	Mar.	Apr.	May	June	July p
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	138.2	146.1	152.2	152.8	152.3	151.7	148.2	144.3	141.0	138.8
Manufacturing (1967=100)	138.4	146.8	153.2	154.1	152.7	151.9	147.9	143.5	139.8	137.2
Durable (1967=100)	130.0	139.7	146.3	147.2	144.1	143.3	138.5	133.5	129.9	127.5
Nondurable (1967=100)	150.5	156.9	163.3	164.1	165.1	164.4	161.6	157.9	154.1	151.2
Leading economic indicators ¹ ⁴ (1967=100)	136.4	141.9	140.3	141.2	134.3	131.3	126.1	123.2	125.0	130.7p
Employment ⁵ (Mill. persons)	90.5	94.4	96.9	97.2	98.0	97.7	97.2	97.0	96.5	97.0
Unemployment rate ⁵ (%)	7.0	6.0	5.8	5.7	6.0	6.2	7.0	7.8	7.7	7.8
Personal income ¹ (\$bil. annual rate)	1,531.6	1,717.4	1,924.2	1,933.2	2,055.7	2,070.0	2,071.5	2,078.1	2,089.0	2,117.6p
Hourly earnings in manufacturing ⁵ ⁶ (\$)	5.67	6.17	6.69	6.72	6.99	7.06	7.09	7.13	7.20	7.28
Money stock (daily average) ³ (\$bil.)	² 328.4	² 351.6	² 369.7	362.0	373.7	373.1	367.6	367.8	371.3	373.7
Time and savings deposits (daily average) ³ (\$bil.)	² 522.5	² 582.4	² 624.8	596.8	634.9	639.8	647.6	649.5	649.3p	648.7p
Three-month Treasury bill rate ² (%)	5.265	7.221	10.041	9.262	12.814	15.526	14.003	9.150	6.995	8.126
Aaa corporate bond yield (Moody's) ⁶ ⁷ (%)	8.02	8.73	9.63	9.20	12.38	12.96	12.04	10.99	10.58	11.07
Interest rate on new home mortgages ⁸ ⁹ (%)	9.01	9.54	10.8	10.78	11.93	12.62	13.03	13.68	12.66	12.51
Housing starts, private (including farm) (thou.)	1,987.1	2,020.3	1,745.1	1,764	1,330	1,041	1,030	906	1,208	1,266
Auto sales at retail, total ¹ (mil.)	11.2	11.3	10.7	10.5	10.5	10.1	8.3	7.4	7.4	8.9
Business sales, total ¹ (\$bil.)	224.8	254.3	288.4	290.0	310.6	305.7	295.3	292.6	293.2p	—
Business inventories, total ¹ (\$bil.)	337.4	380.6	427.0	413.6	435.3	439.3	445.5	446.4	447.8p	—
Sales of all retail stores (\$bil.) ¹ ¹⁰	60.3	66.6	73.7	73.1	78.0	76.5	75.0	74.6	75.6p	77.1p
Durable goods stores (\$bil.)	20.7	23.2	25.6	25.2	26.4	24.3	22.8	22.5	23.0p	24.2p
Nondurable goods stores (\$bil.)	39.1	43.4	48.1	47.8	51.6	52.2	52.2	52.0	52.5p	52.9p
Food stores (\$bil.)	13.2	14.5	16.0	15.9	16.7	17.2	17.4	17.0	17.3p	17.6p
Eating and drinking places (\$bil.)	5.3	5.8	6.3	6.1	6.6	6.7	6.7	6.5	6.5p	6.5p
Apparel and accessory stores (\$bil.)	2.9	3.1	3.6	3.6	3.7	3.6	3.7	3.7	3.7p	3.8p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Data changed to reflect new Federal Reserve definitions. ⁴ Composite index of 12 leading indicators. ⁵ Department of Labor, Bureau of Labor Statistics. ⁶ Not seasonally adjusted. ⁷ December of the year listed. ⁸ Moody's Investors Service. ⁹ Federal Home Loan Board. ¹⁰ Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

U.S. Agricultural Trade

U.S. agricultural exports

	October-June				June			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry	—	—	104,511	104,501	—	—	12,013	8,122 ¹
Meat and preps., excluding poultry (mt)	298 ¹	311	632,226	662,651	38	37	84,539	72,923
Dairy products, excluding eggs	—	—	86,933	112,376	—	—	11,565	13,352
Poultry and poultry products	—	—	274,712	398,886	—	—	33,027	60,547
Grains and preparations	—	—	8,442,061	12,466,529	—	—	1,221,996	1,284,021
Wheat and wheat flour (mt)	21,540	25,781	3,036,679	4,605,708	2,932	2,702	429,401	463,303
Rice, milled (mt)	1,897	2,195	687,399	857,076	156	246	55,801	101,025
Feed grains excluding products (mt)	41,917	53,897	4,504,659	6,757,901	6,116	5,616	711,811	691,295
Other	—	—	213,324	245,844	—	—	24,983	28,398
Fruit, nuts, and preparations	—	—	1,110,269	1,600,286	—	—	122,474	166,939
Vegetables and preparations	—	—	592,991	739,633	—	—	70,513	90,885
Sugar & preps., including honey	—	—	74,150	167,139	—	—	8,485	33,842
Coffee, tea, cocoa, spices, etc. (mt)	46	38	177,076	126,254	5	3	21,630	14,475
Feeds and fodders	—	—	1,666,763	2,173,082	—	—	213,116	232,049
Protein meal (mt)	5,006	6,132	1,105,408	1,372,297	510	552	110,566	119,278
Beverages, excl. distilled alcohol (Lit)	51,685	56,703	19,730	24,184	6,385	10,479	3,325	4,504
Tobacco, unmanufactured (mt)	242	235	1,091,501	1,118,254	12	20	53,654	86,424
Hides, skins, and furskins	—	—	1,036,378	949,422	—	—	102,123	61,971
Oilseeds	—	—	5,055,126	5,530,080	—	—	350,181	434,785
Soybeans (mt)	17,113	19,801	4,556,764	5,067,011	1,112	1,597	317,809	395,637
Wool, unmanufactured (mt)	3	3	30,013	24,436	(¹)	(¹)	2,967	1,697
Cotton, unmanufactured (mt)	1,085	1,728	1,488,262	2,533,085	146	162	199,064	245,777
Fats, oils, and greases (mt)	978	1,158	514,531	598,228	122	123	70,120	59,060
Vegetable oils and waxes (mt)	1,203	1,452	822,438	972,833	180	131	121,370	81,491
Rubber and allied gums (mt)	13	13	14,429	17,349	2	1	1,874	1,676
Other	—	—	556,016	661,831	—	—	56,573	62,959
Total	—	—	23,790,116	30,981,039	—	—	2,760,609	3,017,499

¹ Less than 500.

U.S. agricultural exports by regions.

Region ¹	October-June		June		Change from year earlier	
	1978/79	1979/80	1979	1980	October-June	June
	\$ Mil.				PCT	
Western Europe	7,469	9,641	665	862	+29	+30
European Community	5,867	7,318	535	676	+25	+26
Other Western Europe	1,602	2,323	130	186	+45	+43
Eastern Europe and USSR	2,215	3,274	416	121	+48	-71
Eastern Europe	1,007	1,863	123	115	+15	-6
USSR	1,208	1,412	293	5	+17	-98
Asia	8,782	10,545	971	1,173	+20	+21
West Asia	1,068	1,032	134	94	-3	-30
South Asia	479	612	52	91	+28	+75
China, Mainland	713	1,320	52	126	+85	+142
Japan	3,815	4,282	401	465	+12	+16
Korea	1,073	1,225	120	150	+14	+25
Taiwan	753	854	108	94	+13	-13
Other East and Southeast Asia	881	1,220	104	153	+38	+47
Latin America and Caribbean	2,351	3,858	286	435	+64	+62
Brazil	276	550	12	17	+99	+42
Mexico	693	1,314	73	189	+90	+159
Caribbean	407	538	48	58	+32	+21
Central America	185	276	23	35	+49	+52
Venezuela	327	420	441	38	+28	-14
Canada, excluding transshipments	1,249	1,284	141	157	+3	+11
Canadian transshipments	504	631	98	110	+25	+12
Africa	1,095	1,601	167	144	+46	-14
North Africa	605	913	100	68	+51	-32
Other Africa	490	688	67	76	+40	+13
Oceania	124	146	17	15	+18	-12
Total ²	23,790	30,981	2,761	3,017	+30	+9

¹ Not adjusted for transshipments. ² Totals may not add due to rounding.

Prices of principal U.S. agricultural trade products

	Annual			1979						
	1977	1978	1979	July	Feb	Mar	Apr	May	June	July
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	3.56	4.45	4.88	4.79	4.57	4.30	4.45	4.32	4.63
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.49	2.66	3.01	3.39	2.97	2.90	2.81	2.86	2.91	3.38
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.30	2.48	2.85	3.30	3.11	3.06	2.96	3.00	3.01	3.43
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.38	7.04	7.59	8.18	6.80	6.55	6.17	6.36	6.35	7.20
Soybean oil, Decatur (cts./lb.)	23.69	25.79	27.59	29.07	23.22	21.73	20.17	20.74	21.65	26.1
Soybean meal, Decatur (\$/ton)	192.17	170.71	191.08	201.60	174.25	164.60	154.2	165.78	161.52	187.90
Cotton, 10 market avg. spot (cts./lb.)	60.48	58.31	61.81	61.87	80.18	79.24	79.05	78.27	72.41	79.0
Tobacco, avg. Price of auction (cts./lb.)	114.24	121.88	132.15	127.10	136.62	138.46	138.69	139.15	139.15	138.64
Rice, f.o.b. mill, Houston (\$/cwt.)	16.96	20.61	20.25	21.00	22.2	24.80	24.00	23.00	21.00	21.00
Inedible tallow, Chicago (cts./lb.)	17.13	19.74	23.45	25.33	17.47	18.69	19.15	17.90	-	-
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	2.41	1.66	1.74	2.03	1.94	1.89	1.80	1.85	1.82	1.64
Sugar, N.Y. spot (cts./lb.)	10.99	13.92	15.61	15.58	24.69	21.19	22.67	31.89	32.09	28.80
Cow meat, f.o.b. port of entry (cts./lb.)	68.42	97.17	130.98	113.32	134.55	118.00	114.51	110.50	113.89	125.95
Rubber, N.Y. spot (cts./lb.)	41.59	50.19	64.57	66.57	83.25	74.50	71.47	68.78	67.94	67.75
Cocoa beans, N.Y. (\$/lb.)	1.72	1.53	1.44	1.40	1.42	1.36	1.27	1.14	1.09	1.06
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.01	5.20	5.91	6.08	6.75	7.67	7.18	8.06	6.21	6.38
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.85	2.02	2.01	2.00	2.09	2.00	1.86	1.83	1.82	1.87

n.a. = not available.

U.S. agricultural imports

	October-June				June			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	301,194	377,276	—	—	19,340	30,288
Meat and preparations, excl. poultry (mt)	802	680	1,949,194	1,733,541	97	70	269,279	163,040
Beef and veal (mt)	647	522	1,490,007	1,344,242	77	51	209,232	119,517
Pork (mt)	127	135	396,480	334,230	16	16	50,772	35,854
Dairy products, excluding eggs	—	—	284,837	339,048	—	—	38,797	37,416
Poultry and poultry products	—	—	36,140	50,454	—	—	11,462	6,729
Grains and preparations	—	—	166,939	213,949	—	—	19,615	25,974
Wheat and flour (mt)	1	1	241	341	(¹)	(¹)	21	42
Rice (mt)	2	2	1,159	1,201	(¹)	(¹)	248	187
Feed grains (mt)	148	151	17,522	23,435	13	17	1,705	2,615
Other	—	—	148,017	188,972	—	—	17,641	23,130
Fruits, nuts, and preparations	—	—	985,974	934,213	—	—	12,830	103,146
Bananas, fresh (mt)	1,777	1,742	287,216	303,666	233	205	38,300	36,829
Vegetables and preparations	—	—	650,483	719,712	—	—	55,753	89,450
Sugar and preparations, incl. honey	—	—	812,400	1,236,618	—	—	152,194	208,708
Sugar, cane or beet (mt)	3,224	2,958	642,163	1,063,809	578	361	120,390	182,977
Coffee, tea, cocoa, spices, etc. (mt)	1,349	1,283	4,158,587	4,585,080	144	140	428,692	491,403
Coffee, green (mt)	915	866	2,680,798	3,298,645	97	100	279,567	373,171
Cocoa beans (mt)	157	105	540,840	314,511	14	12	44,001	32,052
Feeds and fodders	—	—	58,030	67,132	—	—	7,408	6,879
Protein meal (mt)	14	28	2,390	6,639	1	1	230	561
Beverages, excl. distilled alcohol (hl)	5,977	6,578	660,291	745,327	850	702	91,808	76,574
Tobacco, unmanufactured (mt)	122	134	294,359	320,943	12	19	29,442	41,464
Hides, skins, and furskins	—	—	252,327	180,916	—	—	28,197	14,576
Oilseeds	—	—	41,019	41,161	—	—	4,861	4,110
Soybeans (mt)	(¹)	1	47	202	(¹)	(¹)	2	20
Wool, unmanufactured (mt)	22	24	65,441	80,098	2 ¹	3	6,329	8,685
Cotton, unmanufactured (mt)	13	16	5,529	6,263	1	2	366	543
Fats, oils, and greases (mt)	7	5	4,682	3,395	1	(¹)	1,009	192
Vegetable oils and waxes (mt)	585	517	452,377	463,205	68	47	60,542	37,941
Rubber and allied gums (mt)	622	498	667,385	656,477	84	46	95,303	64,028
Other	—	—	484,717	552,622	—	—	59,792	64,867
Total	—	—	12,331,905	13,307,430	—	—	1,507,009	1,476,013

¹ Less than 500. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance¹

	October-June		June	
	1978/79	1979/80	1979	1980
	\$Mil.			
Agricultural exports ¹	23,790	30,981	2,761	3,017
Nonagricultural exports ²	99,815	127,448	12,320	15,658
Total exports ²	123,605	158,429	15,081	18,675
Agricultural imports ³	12,330	13,294	1,507	1,472
Nonagricultural imports ⁴	129,076	167,554	15,996	19,122
Total imports	141,406	180,848	17,503	20,594
Agricultural trade balance	11,460	17,687	1,254	1,545
Nonagricultural trade balance	-29,261	-40,106	-3,676	-3,464
Total trade balance	-17,801	-22,419	-2,422	-1,919

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Domestic and foreign exports including Department of Defense shipments (F.A.S. value). ³ Imports for consumption (Customs value). ⁴ General imports (Customs value).

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81
	Mil. units						
Wheat:							
Area (hectare)	219.9	224.9	232.4	225.7	226.5	226.3	232.9
Production (metric ton)	357.2	350.4	415.8	382.8	447.8	419.4	443.2
Exports (metric ton)	68.4	73.2	68.5	79.7	77.3	90.4	92.4
Consumption (metric ton) ²	362.4	352.3	378.5	400.5	424.5	438.2	437.9
Ending stocks (metric ton) ³	63.7	63.0	100.3	82.6	105.9	87.1	92.3
Coarse grains:							
Area (hectare)	342.4	349.3	349.6	347.2	347.0	344.5	346.7
Production (metric ton)	627.9	644.7	702.9	703.8	748.0	727.8	720.9
Exports (metric ton)	69.5	84.7	88.0	91.5	97.9	107.2	106.4
Consumption (metric ton) ²	632.6	643.6	683.0	694.2	739.4	733.3	738.0
Ending stocks (metric ton) ³	65.8	56.9	76.8	86.5	95.1	89.6	72.6
Rice, milled:							
Area (hectare)	132.6	147.8	141.6	143.8	143.4	141.3	144.9
Production (metric ton)	220.0	250.6	236.2	250.0	259.5	252.2	265.9
Exports (metric ton) ⁴	7.3	9.4	10.4	9.7	12.3	12.8	12.6
Consumption (metric ton) ²	221.8	242.1	236.4	244.8	254.9	256.0	265.7
Ending stocks (metric ton) ³	11.1	18.6	17.6	22.7	27.2	23.2	23.3
Total grains:							
Area (hectare)	694.9	722.0	723.6	716.7	716.9	712.1	724.5
Production (metric ton)	1,205.1	1,245.7	1,354.9	1,336.6	1,455.3	1,399.4	1,430.0
Exports (metric ton)	145.2	167.3	166.9	180.9	187.5	210.4	211.4
Consumption (metric ton) ²	1,216.8	1,238.0	1,297.9	1,339.5	1,418.8	1,427.5	1,441.6
Ending stocks (metric ton) ³	130.6	138.5	194.7	191.8	228.2	199.9	188.2
Oilseeds and meals: ^{4, 5}							
Production (metric ton)	65.3	73.5	66.9	78.6	83.4	97.0	89.3
Trade (metric ton)	27.6	32.5	33.6	38.8	40.6	44.5	45.0
Fats and oils: ⁵							
Production (metric ton)	46.2	49.4	47.7	52.5	54.6	58.9	57.2
Trade (metric ton)	13.8	15.8	16.9	18.4	19.2	20.5	21.0
Cotton:							
Area (hectare)	33.4	29.8	30.8	32.7	32.1	32.3	33.1
Production (bale)	64.3	54.0	57.4	64.1	60.1	65.5	64.9
Exports (bale)	17.4	19.1	17.5	19.2	19.8	22.8	20.6
Consumption (bale)	58.7	61.2	60.9	61.0	62.9	65.0	65.1
Ending stocks (bale)	30.9	24.0	20.7	24.3	21.6	21.5	21.9

¹ Forecast. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar Year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.



A service to producers —
The Farmers' Newsletter free from
the U.S. Department of Agriculture.
Up-to-date facts and indications
about today's agriculture to help
you make decisions.

Six different newsletter titles
offering the special information
you need.

FREE FARMERS' NEWSLETTER

FARMERS' NEWSLETTER

Please enter my free
subscription for the titles
I've checked below.

- | | |
|--|-------------------------------------|
| 1 <input type="checkbox"/> Wheat | 4 <input type="checkbox"/> Soybeans |
| 2 <input type="checkbox"/> Feed Grains | 5 <input type="checkbox"/> Cotton |
| 3 <input type="checkbox"/> Livestock | 6 <input type="checkbox"/> General |

(Each Newsletter will be
published at least five
times a year.)

Mail to:
ESCS
Room 0005 South Bldg.
USDA
Washington, D.C. 20250

Print Name (Last first) _____

Address _____

City _____

State _____

Zip _____

Order Now!

Agricultural Outlook Subscription Order Form

Enclosed is \$ _____ ☐ check,
☐ money order, or charge to my
 Deposit Account No.

							-	
--	--	--	--	--	--	--	---	--

Order No. _____

Mail to:

**Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402**

Credit Card Orders Only



Total charges \$_____ Fill in the boxes below.

Credit Card No.



Expiration Date
Month/Year

Please enter my subscription to **Agricultural Outlook (ARGO)** for one year at \$19.00 Domestic; \$23.75 Foreign

Name—First, Last									
Company name or additional address line									
Street address									
City					State		ZIP Code		
(or Country)									

PLEASE PRINT OR TYPE

Make checks payable to: Superintendent of Documents.

Microfiche Order Form

- ☐ Here is my check for \$_____ payable to NTIS.
- ☐ Charge to my NTIS Deposit Account No. _____
- ☐ Charge to my American Express Card Account Number.

--	--	--	--	--	--	--	--	--	--	--	--	--

Expiration date_____

Signature_____

Mail to:

U.S. Department of Commerce
National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161

Enter my microfiche subscription(s) to **Agricultural Outlook (NTISUB/C/151)** at \$25.75 first subscription (North American Continent addresses); \$21 each additional if ordered at the same time to the same address. Other address: \$45 each.

Name _____

Organization _____

Address _____

City, State _____

Zip Code _____

Please allow 6 weeks for subscription processing.

